

2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Years Ended
June 30, 2018 and June 30, 2019**

Included in the Higher Education Funds
of the State of South Carolina

Prepared by: Accounting Department | Business Services Division

425 S. Anderson Rd. | Rock Hill, South Carolina 29730 | yorktech.edu

2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Years Ended
June 30, 2018 and June 30, 2019**

Included in the Higher Education Funds
of the State of South Carolina

Prepared by: Accounting Department | Business Services Division

425 S. Anderson Rd. | Rock Hill, South Carolina 29730 | yorktech.edu

TABLE OF CONTENTS

1 INTRODUCTORY SECTION

- 3 President's Letter
- 5 Commissioners and Officers
- 6 Organizational Chart
- 7 Letter of Transmittal
- 11 Certificate of Achievement

12 FINANCIAL SECTION

- 14 Independent Auditor's Report
- 17 Management's Discussion and Analysis
- 23 Basic Financial Statements and Notes**
 - 25 Statement of Net Position
 - 26 Statement of Revenues, Expenses, and Changes in Net Position
 - 27 Statement of Cash Flows
 - 29 YTC Foundation's Statement of Financial Position
 - 30 YTC Foundation's Statement of Activities
 - 31 Notes to Financial Statements
- 91 Other Financial Reports and Information**
 - 93 Required Supplemental Information Schedule of Proportionate Share of Net Pension Liability
SC Retirement System and Police Officer's Retirement System
 - 94 Required Supplemental Information Schedule of College Contributions
SC Retirement System and Police Officer's Retirement System
 - 95 Required Supplemental Information Schedule of Proportionate Share of Net OPEB Liability
SC Retirement Systems SCRHIFT
 - 96 Required Supplemental Information Schedule of Proportionate Share of Net OPEB Liability
SC Retirement Systems SCLTDITF

97 STATISTICAL SECTION (not covered by the Independent Auditor's Report)

- 99 Narrative to the Statistical Section
- 100 Financial Trends**
 - 102 Changes in Net Position
 - 105 Net Position by Component
 - 106 Operating Expenses by Function
 - 107 Operating Expenses by Activity
 - 108 Current Unrestricted Expenses per Annualized Credit Student
- 109 Revenue Capacity**
 - 111 Revenue by Funding Source
 - 112 Tuition and Required Fees
- 113 Debt Capacity**
 - 115 Long-term Debt
- 116 Demographic and Economic Information**
 - 118 Admissions and Enrollment
 - 120 Degrees Awarded
 - 121 First-Time Freshmen - Fall Enrollment
 - 122 Corporate and Continuing Education Programs and Division Statistics
 - 123 Demographic Data
 - 124 Principal Employers by County
- 125 Operating Information**
 - 127 Faculty and Staff
 - 128 Space Utilization
- 129 Other (non-required) Information**
 - 131 Program Accreditations and Approvals
 - 132 Non-Discrimination Policy

133 SINGLE AUDIT SECTION

- 135 Separate Table of Contents**

This Page Intentionally Left Blank

INTRODUCTION



This Page Intentionally Left Blank

President's Letter

November 6, 2019

Members of the York Technical College Commission and the Community:

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) for 2019. The primary purpose of the CAFR is to provide financial transparency through documenting the audited results of the College's financial activities for fiscal year ended June 30, 2019. Our finances are ultimately the resource base for pursuing our mission of continuously improving student success in enrollment, and as a result, in finances.

Recent years have brought great challenges to all of higher education. Fortunately, YTC has fared somewhat better than the average performance of the other South Carolina Technical Colleges. This performance, along with strategic budget management and program planning, has resulted in the maintenance of a strong financial position. Especially notable, this year's margin before non-cash adjustments was \$4.73M or 10.7% of revenues.

Finances supported multiple student metrics:

- Placement of graduates remains strong at 94%.
- Graduate completions increased by 9% and represent the highest in YTC's history.
- Fall to Fall Student Success reached the highest point in our history at 66.9%.
- Fall 2019 headcount enrollment increased by 6.5% and credit hours increased by 9.4%.

Status of phase-1 masterplan expenditures:

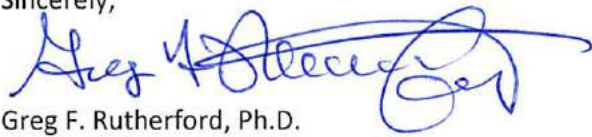
- Construction continued on the expansion and conversion of our library to a Learning Commons, with a scheduled completion and grand opening in late fall 2019. This highly anticipated facility provides collaborative spaces for our students to learn and socialize, giving them a reason to be on campus before, in between, and after classes. Students are drawn to a campus that connects with and engages them, and we believe that creating this connection is necessary to attract and retain future students.
- Construction has begun on the East Roundabout and Terminus project, which represents Phase V of our perimeter road development and will complete the final segment of road connecting the southern and eastern portions of our campus. The project was approved in October 2018 with State funding of \$2.4 million.

- In summer 2019 the College began the process of hiring a firm to begin evaluating our current Master Plan in fall 2019. The goal will be to align the current master plan with student enrollment projections, program changes, budget projections and economic outlook for the next 10 years. This update could take up to 12 months.

I am extremely proud of the College's efforts this past year as we ended in a strong position for progress going into the coming academic and fiscal years. Our employees are hard at work, improving student outcomes and refining our programs of study. Leadership is focused on what matters most as we strategically develop new methods for the future. All of our positive results, both fiscal and operational, are the culmination of hundreds of full and part-time employees working in unison to fulfill our mission.

I am also thankful to you, for your continued support of York Technical College.

Sincerely,



Greg F. Rutherford, Ph.D.

President

YORK TECHNICAL COLLEGE
 Commission Members - Administrative Staff - Service Area
 For the Year Ended June 30, 2019

Period Covered

Fiscal Year Ended June 30, 2019.

<u>York Technical College Commission Members</u>	<u>County</u>	<u>Term Expires</u>
Charles Z. Robinson, Chair	York	2021
Geri H. Rucker, Vice-Chair	York	2022
Bruce D. Barre	York	2021
James C. Hardin, III	York	2020
Jack Holladay	York	2022
Dr. A. Douglas Marion	Chester	2023
Jeffrey C. Sigmon	York	2020
Keith Wilks	York	2020
Vacant	Lancaster	
Vacant	York	
Vacant	York	

All terms begin on April 15.

College Administrative Staff

Gregory F. Rutherford	President
Stacey Moore	Executive Vice President for Academic and Student Affairs
Marc C. Tarplee	Vice President for Business Services
Melanie Jones	Vice President for College Advancement
Edwina Roseboro-Barnes	Assistant Vice President of Human Resources
Mary Beth Schwartz	Director of Institutional Effectiveness and Research

Service Areas

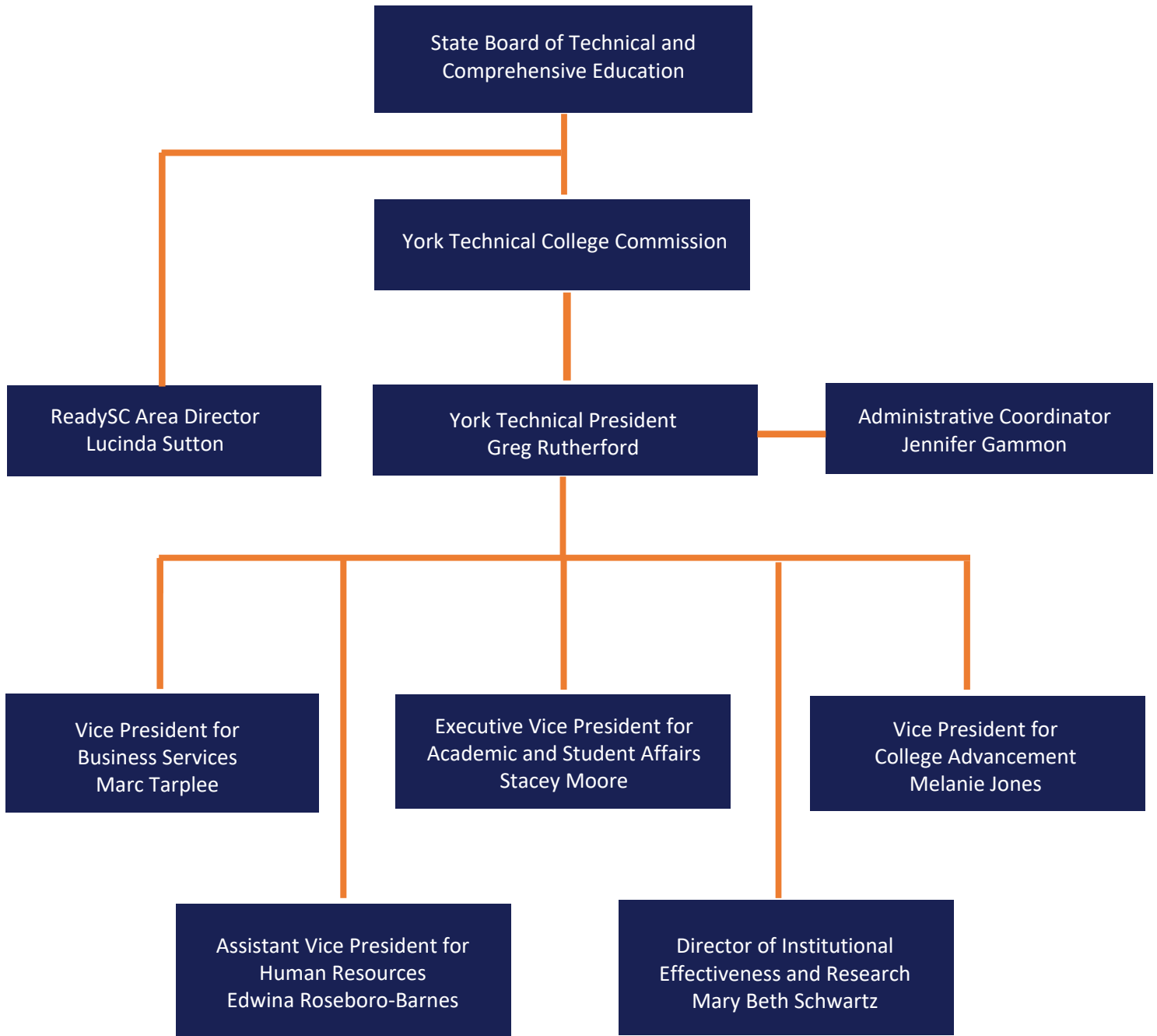
York, Chester and Lancaster Counties

Entities Providing Financial Support

York County
 Chester County

U.S. Department of Agriculture
 U.S. Department of Education
 U.S. Department of Labor
 U.S. Department of Transportation
 U.S. Department of Veteran's Affairs
 S.C. Board for Technical & Comprehensive Education
 S.C. Commission on Higher Education
 S.C. Department of Education

Organizational Chart



December 13, 2019

To the Members of the Area Commission for York Technical College:

The College is pleased to present to you the Comprehensive Annual Financial Report for York Technical College for the year ended June 30, 2019. The report of our independent public accountants, Cline, Brandt, Kochenower Company, expresses an unmodified opinion on the basic financial statements. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is assumed by the Office of the Vice President for Business Services. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. York Technical College's MD&A can be found immediately following the report of the independent auditors.

ENTITY

York Technical College is one of 16 technical colleges that comprise the South Carolina Technical College System, which is an agency of the state of South Carolina. York Technical College is a comprehensive public, two-year college serving the citizens of York, Chester and Lancaster counties.

The College offers:

- Associate degrees in the following areas:
 - Vocational
 - Technical
 - Occupational
 - University transfer
- Diplomas and certificates in the following areas:
 - Vocational
 - Technical
 - Occupational
- Developmental and remedial education
- Custom-designed continuing education for business and industry
- readySC to train potential employees for new and expanding manufacturing companies
- Student development and lifelong learning opportunities.

BASIC HISTORY OF YORK TECHNICAL COLLEGE

In early 1960 former Governor Ernest F. Hollings initiated a state educational system, motivated by the idea that if South Carolina could offer a well-trained work force, the state would attract more business and industry. This training was to be provided by a system of 13 technical colleges (currently 16 colleges). In 1961 the South Carolina General Assembly passed Act 323, which provided for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic positions throughout the state.

The purpose of these centers was “to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship.” These centers would be located at points which would be readily accessible to a large majority of the state’s population.

York Technical College opened in 1964 as a technical education center with 60 students enrolled in seven programs housed in one building. In 1974 York County Technical Education Center became York Technical College. The college has grown in the past four decades from the initial enrollment of 60 students to over 4500 enrolled during the fall of 2016 in more than 70 credit programs. In addition to its academic programs, the College provides continuing education for more than 9000 area residents and numerous businesses each year. The College campus has grown from one building to a multi-site operation with 15 buildings on the main campus alone.

The York Technical College Foundation is controlled by a separate board of directors. It is a component unit of York Technical College and its financial data is included by discrete presentation.

ECONOMIC CONDITION AND OUTLOOK

A primary mission of the technical colleges is to support economic development through education and training for the citizens of the state of South Carolina. Public higher education in general and York Technical College in particular are impacted by economic conditions in the state as well as funding priorities established by the South Carolina Legislature. The College’s financial condition is also impacted by local economic conditions in the counties it serves and by their funding priorities.

Another item to consider is the Lottery Tuition Assistance Program, which awarded to eligible students during the 2018-2019 academic year is approximately 55% of their total tuition. The Legislature is not required by statute to provide a specific amount for the Lottery Tuition Assistance program, so there is no guarantee that eligible students will receive an award.

South Carolina’s economy has improved in the past year, and the pace of economic growth and job creation has now outpaced other areas of the USA. The demand for skilled labor has increased, as manufacturers find themselves unable to meet growing demand through productivity improvements alone. As a result, the College’s skilled technology programs are showing enrollment declines because many potential students now go directly to work. The College’s Industry Scholars program remains strong, adding new employers and enrolling more students.

FINANCIAL INFORMATION

The management team of the College is responsible for establishing and maintaining internal control policies and procedures to safeguard the assets of the College. As part of this responsibility, the management of the Business Services Division of the College ensures that its financial statements are prepared in conformity with generally accepted accounting principles. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the evaluation of costs and benefits requires estimates and judgments by management. Accordingly, organizational structure, policies and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. Annual audits are conducted under the authority of the South Carolina State Auditor with testing to ensure the adequacy of internal controls and the College’s compliance with applicable laws and regulations.

As a recipient of federal financial awards, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of state and college policies and procedures, integrated with the College’s system of internal controls, provides for this compliance.

The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

BUDGETARY MANAGEMENT

The College has proactively managed its budget which is based on reasonable projections of future funding. The College uses various methods of budgetary control which help ensure compliance with the annual budget adopted by the Area Commission. Line-item budgeting, the method that budgets by organizational unit and object, is used by the College. This method is consistent with the lines of authority and responsibility in each organizational unit and allows accumulation of expenditure data at each functional level. The approach also enhances organizational control and provides a benchmark for use in trend or historical analysis. The College's budget is implicitly linked to financial accountability and relates to financial reporting objectives established by the GASB. The College also uses an encumbrance accounting system as an additional measure in accomplishing budgetary control. Open encumbrances are reported as Allocations of Fund Balance at year end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management and its student-centered mission.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The College is using its long range financial models, originally developed to examine the sustainability of various operating structures, to provide information about the impact of long-term demographic changes on the College's operations. A sharp drop in birth rates in SC that began in 2008 will impact the number of students available to attend college, beginning around 2026. The College expects that its enrollment will decline steadily from 2026 until 2030, at a rate of approximately 5-10% per year. To prepare for that, the College is currently beginning a campaign of rightsizing, looking for opportunities to leverage automation, outsourcing, and a move to cloud-based information technology solutions that will provide better client and employee experience at lower cost.

DEBT ADMINISTRATION

At June 30, 2019, the College had no outstanding debt.

INDEPENDENT AUDIT

The financial statements have been audited by Cline, Brandt, Kochenower Inc., Independent Certified Public Accountants. The Independent Auditors' Report is included in the financial section of this report and reflects an unmodified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to York Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 21st consecutive year that York Technical College achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and will be submitted to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

It is incumbent upon us to thank the York Technical College Commission and the President of the College for their interest and support in conducting the fiscal affairs of the College in a highly responsible and professional manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Business Services Division staff and other departments and individuals who assisted in the preparation of this report. Our appreciation is also expressed to our independent auditors, Cline, Brandt, Kochenower and Company for the timely completion of the audit.

Very Truly Yours,

A handwritten signature in cursive script, appearing to read "Marc C. Tarplee", with a long horizontal flourish extending to the right.

Dr. Marc C. Tarplee
Vice President for Business Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**York Technical College
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL



This Page Intentionally Left Blank

Independent Auditors' Report

York Technical College
Rock Hill, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit (York Technical College Foundation, Inc.) of York Technical College, a component unit of the State of South Carolina, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of York Technical College Foundation, Inc., which represent 100 percent of the discretely presented component unit presented in the financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the York Tech College Foundation, Inc., is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the York Tech College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of York Technical College as of June 30, 2019 and 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

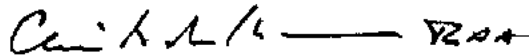
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of the College's Pension Contributions, the Schedule of the College's Proportionate Share of the Net OPEB Liability, and the Schedule of the College's OPEB Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2019 our consideration of York Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Report on State Lottery Assistance Program

We have also issued our report dated September 25, 2019 on our consideration of York Technical College's administration of the State Lottery Assistance Program and on our tests of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.



Gaffney, SC
September 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
YORK TECHNICAL COLLEGE
JUNE 30, 2019

This section of York Technical College's Annual Financial Report presents management's discussion and analysis of the College's financial performance during the fiscal year ended June 30, 2019. This discussion should be read in conjunction with financial statements and the notes thereto, which follow this section.

Financial Highlights

- The liabilities and deferred inflows of resources (deferred inflows) of York Technical College exceeded assets and deferred outflows of resources (deferred outflows) by \$4,627,402 as of June 30, 2019 (net position). The College has on hand cash and cash equivalents of \$19,265,227, which may be used to meet the College's ongoing obligations.
- The College experienced an operating loss of \$(20,373,608) as reported in the Statement of Revenues, Expenses, and Changes in Net Position. However, state appropriations of \$7,943,474, local appropriations of \$4,305,636 federal grants and contracts of \$6,965,761, as well as state and local capital appropriations of \$1,581,624, offset this operating loss.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

The Statement of Net Position presents the financial position of the College at the end of the fiscal year. Net position is the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. There are three components of net position: net investment in capital assets, unrestricted assets, and restricted assets. Net position is one indicator of the current financial condition of the College, while the change in net position is an indicator that the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized as operating or non-operating. In addition, expenses are reported by object code.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, noncapital financing, and investing activities. This statement also emphasizes the College's dependence on state and county appropriations by separating them from operating cash flows.

Accordingly, the financial statements include the accounts of York Technical College as the primary government and the accounts of York Technical College Foundation (the "Foundation"), its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation's relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

Financial Analysis

Statement of Net Position:

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the College, liabilities and deferred inflows exceeded assets and deferred outflows by \$4,627,402 at fiscal year ended June 30, 2019. By comparison, at June 30, 2018, liabilities and deferred inflows exceeded assets and deferred outflows by \$5,361,843.

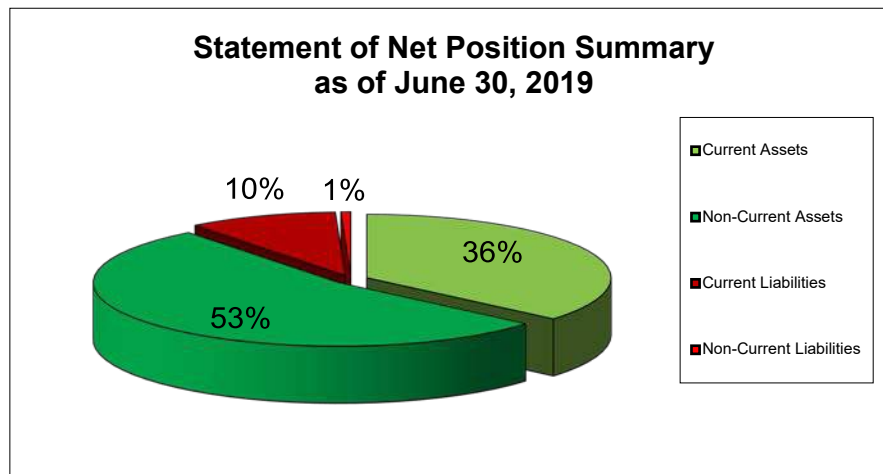
The College's net assets total \$(4,627,402) at June 30, 2019, of which \$37,690,955 is reflected in its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. There is no debt associated with these assets. See Note 4 in the financial statements for further disclosure of capital assets.

Unrestricted net assets at June 30, 2019 were \$ (42,318,357). Note that the unrestricted net assets appear negative due to implementing GASB 68 and GASB 75. The College has cash and cash equivalents of \$19,265,227, which is sufficient to meet the College's ongoing obligations.

The following schedule is prepared from the College's Statement of Net Position, presented on an accrual basis of accounting with assets capitalized and depreciated.

Net Position As of June 30, 2019, June 30, 2018, and June 30, 2017 (In millions)

	2019	2018	Increase/ Decrease	2017	Increase/ Decrease
ASSETS					
Current Assets	\$ 27.21	\$ 29.08	\$ (1.87)	\$ 28.65	\$ 0.43
Non-current Assets	\$ 2.31	\$ 2.19	\$ 0.12	\$ 2.01	\$ 0.18
Capital Assets	\$ 37.69	\$ 31.66	\$ 6.03	\$ 30.55	\$ 1.11
TOTAL ASSETS	\$ 67.21	\$ 62.94	\$ 4.28	\$ 61.21	\$ 1.73
DEFERRED OUTFLOWS OF RESOURCES	\$ 6.58	\$ 7.30	\$ (7.30)	\$ 6.09	\$ 1.21
TOTAL	\$ 73.80	\$ 70.23	\$ (3.02)	\$ 67.30	\$ 2.93
LIABILITIES					
Current Liabilities	\$ 7.39	\$ 5.85	\$ 1.55	\$ 5.33	\$ 0.52
Non-current Liabilities	\$ 67.96	\$ 66.30	\$ 1.66	\$ 65.75	\$ 0.55
TOTAL LIABILITIES	\$ 75.35	\$ 72.15	\$ 3.20	\$ 71.07	\$ 1.07
DEFERRED INFLOWS OF RESOURCES	\$ 3.08	\$ 3.45	\$ (3.45)	\$ 1.06	\$ 2.39
TOTAL	\$ 78.43	\$ 75.59	\$ (0.25)	\$ 72.13	\$ 3.46
NET POSITION					
Net Investment in Capital Assets	\$ 37.69	\$ 31.66	\$ 6.03	\$ 30.55	\$ 1.11
Unrestricted Assets	\$ (42.32)	\$ (37.02)	\$ (5.29)	\$ (35.38)	\$ (1.64)
Restricted Assets	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NET POSITION	\$ (4.63)	\$ (5.36)	\$ 0.73	\$ (4.83)	\$ (0.53)



Statement of Cash Flows:

The Statement of Cash Flows is concerned solely with the flows of cash in and out of the College. Consequently, this statement reports only transactions that affect the College's cash account.

Summary of Cash Flows As of June 30, 2019, June 30, 2018, and June 30, 2017 (In millions)

	2019	2018	Increase/ Decrease	2017	Increase/ Decrease
Net cash used by operating activities	\$ (15.72)	\$ (17.43)	\$ 1.71	\$ (17.68)	\$ 0.25
Net cash flows from non-capital financing activities	\$ 20.03	\$ 19.49	\$ 0.54	\$ 19.64	\$ (0.15)
Net cash flows used by capital and related financing activities	\$ (6.35)	\$ (0.82)	\$ (5.53)	\$ (0.89)	\$ 0.07
Net cash flows from investing activities	\$ 0.04	\$ 0.03	\$ 0.01	\$ (0.24)	\$ 0.27
Net increase/decrease in cash	\$ (2.00)	\$ 1.27	\$ (3.27)	\$ 0.83	\$ 0.44

Cash decreased by \$2,000,576 during FYE 2019, primarily because of major purchases of capital assets.

The College believes that a strong cash position is essential to its long-term viability. As state funding for operations and capital projects continually decreases, the College must generate its own financial resources to fund maintenance, future construction, updating of academic equipment, and the launch of new programs. The College anticipates future decreases in cash as it invests in its Master Plan between now and 2020.

Statement of Revenues, Expenses, and Changes in Net Position:

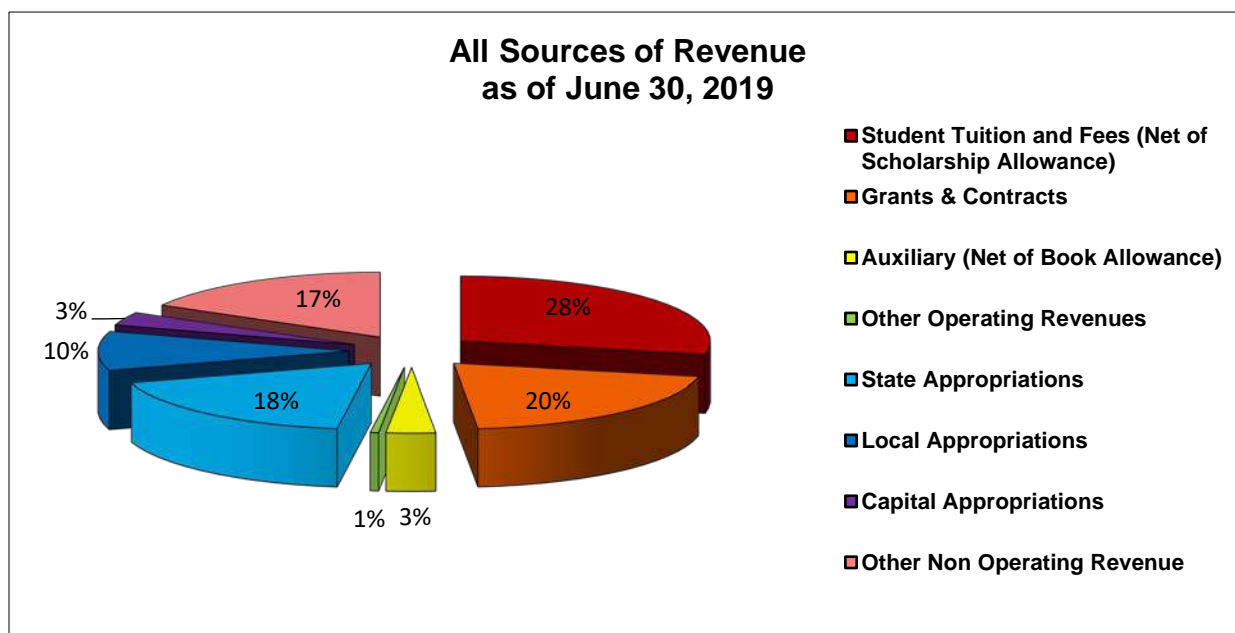
The Statement of Revenues, Expenses and Changes in Net Position presents and categorizes revenues earned and expenses incurred during the year by operating and non-operating. Generally, operating revenues and expenses are those received and used to carry out the mission of the College, an exception being state and local financial support classified as non-operating revenues. As a result, the College will show an operating deficit, but inclusion of non-operating revenue results in an overall increase in revenue for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below in the schedule.

Statement of Revenue, Expenses and Changes in Net Position As of June 30, 2019, June 30, 2018, and June 30, 2017 (In millions)

	2019	2018	Increase/ Decrease	2017	Increase/ Decrease
Operating Revenue					
Tuition and Fees (Net of Scholarship Allowance)	\$ 12.49	\$ 11.74	\$ 0.75	\$ 10.95	\$ 0.79
Grants and Contracts	\$ 8.89	\$ 8.19	\$ 0.70	\$ 8.48	\$ (0.29)
Auxiliary	\$ 0.39	\$ 0.74	\$ (0.35)	\$ 1.20	\$ (0.45)
Other	\$ 1.24	\$ 1.36	\$ (0.12)	\$ 1.37	\$ (0.00)
Total Operating Revenue	<u>\$ 23.02</u>	<u>\$ 22.04</u>	<u>\$ 0.98</u>	<u>\$ 22.00</u>	<u>\$ 0.04</u>
Less Operating Expenses	\$ 43.39	\$ 43.84	\$ (0.45)	\$ 43.40	\$ 0.44
Net Operating Loss	<u>\$ (20.37)</u>	<u>\$ (21.80)</u>	<u>\$ 1.43</u>	<u>\$ (21.41)</u>	<u>\$ (0.40)</u>
Non-operating Revenue					
State Appropriations	\$ 7.94	\$ 7.66	\$ 0.29	\$ 6.97	\$ 0.69
Local Appropriations	\$ 4.31	\$ 4.17	\$ 0.14	\$ 4.13	\$ 0.05
Federal Grants and Contracts	\$ 6.97	\$ 7.98	\$ (1.01)	\$ 8.44	\$ (0.46)
Proceeds from Local Capital Appropriations	\$ 1.45	\$ 0.89	\$ 0.56	\$ 0.47	\$ 0.42
Proceeds from State Capital Appropriations	\$ 0.13	\$ 0.59	\$ (0.46)	\$ 0.78	\$ (0.19)
Other	\$ 0.31	\$ (0.02)	\$ 0.33	\$ (0.02)	\$ 0.00
Total Non-operating Revenue	<u>\$ 21.11</u>	<u>\$ 21.27</u>	<u>\$ (0.16)</u>	<u>\$ 20.76</u>	<u>\$ 0.52</u>
Increase in Net Position	<u>\$ 0.73</u>	<u>\$ (0.53)</u>	<u>\$ 1.26</u>	<u>\$ (0.65)</u>	<u>\$ 0.12</u>
Increase in Net Position	\$ 0.73	\$ (0.53)	\$ 1.26	\$ (0.65)	\$ 0.12
Prior Period Adjustments	\$ -	\$ -	\$ -	\$ (29.91)	\$ 29.91
Net Position, Beginning of Year	<u>\$ (5.36)</u>	<u>\$ (4.83)</u>	<u>\$ (0.53)</u>	<u>\$ 25.73</u>	<u>\$ (30.56)</u>
Net Position, End of Year	<u>\$ (4.63)</u>	<u>\$ (5.36)</u>	<u>\$ 0.73</u>	<u>\$ (4.83)</u>	<u>\$ (0.53)</u>

Revenues

Total revenues for FYE 2019 were \$44,126,884 to which the largest contributors were Federal grants and contracts, net tuition, and grants/contracts. More than 82% of the Federal grant revenues are PELL Grants, which are Federal needs-based financial aid awarded to students. Similarly, the majority of the grants and contract component of operating revenue is SC Education Lottery Tuition Assistance. When considered in concert with tuition (28% of revenues), approximately 64% of the College's total revenue is student-driven. In contrast, state and local appropriations make up approximately 28% of total revenues. This trend towards a student-driven business model will continue if state appropriations decrease in the future, as expected.

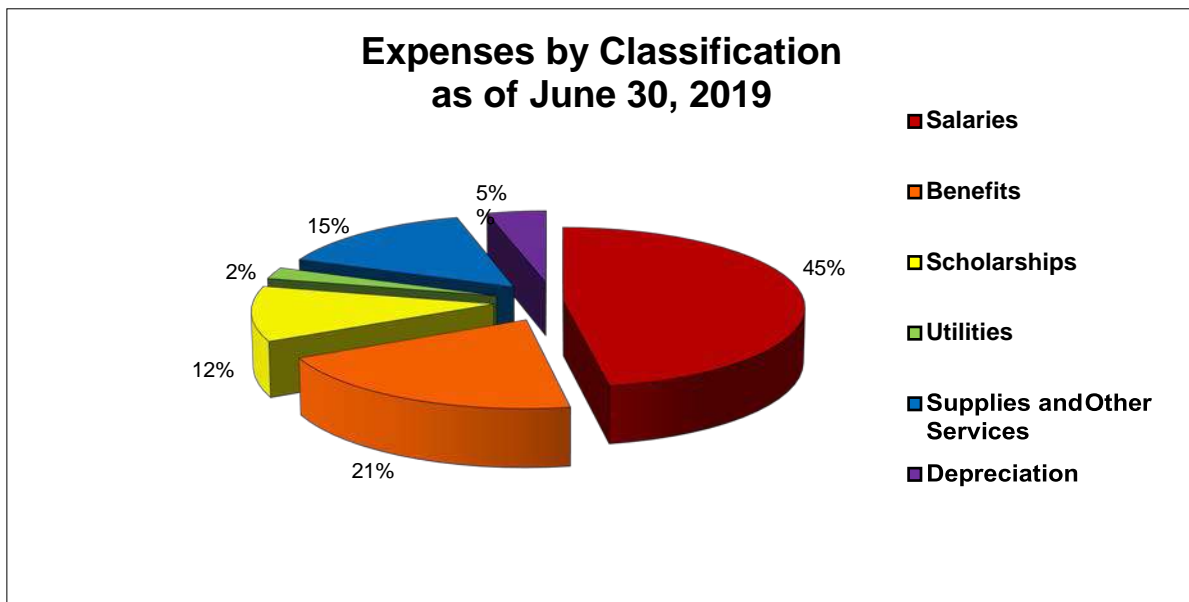


Expenses

Total expenses for FYE 2019 were \$43,392,443, an increase of .01% over FYE 2018. The largest expense component was salaries, totaling \$19,663,933, which decreased by 3.7% relative to FYE 2018. Of this amount, approximately 65% is instructional and academic support. Benefits is the second largest component of expenses. Note 12 in the accompanying Notes to the Financial Statements identifies operating expenses by functional classification.

With the exception of benefits and depreciation, expenses decreased with respect to FYE 2018 results. Benefits rose due to an increase in retirement and health insurance premiums. The College continues to make investments in infrastructure and academic equipment for maintenance and maximize student success in all programs.

Enrollment is countercyclical to the local economy, in the short term. Over all, enrollment is expected to decline in the next decade due to demographic trends. Variable expenditures are continuously monitored in order to keep the college in a financially sustainable position.



Capital Assets and Debt Administration

The College's net investment in capital assets at June 30, 2019 was \$ 37,690,955, a net increase of \$6,028,346 from the prior fiscal year. The relatively small increase is due to projects being completed. Planning for improvements and new projects is a continual process.

The College increased its net position by \$734,441.

This increase change of net position was driven by a decrease in federal grants, increase in depreciation for capital projects, increase in tuition revenue, and increase in state appropriations. The College has no current or long-term debt. Detailed information on capital asset activity can be found in Note 4 following the basic financial statements.

Economic Factors

Historically, the College's enrollment and economic conditions have been countercyclical. The steadily improving economy in South Carolina will put downward pressure on enrollment, which the College believes is best and sustainably dealt with by improving student retention. The College has set its year-to-year retention benchmark at 70% for students starting in the fall of 2015. This represents a significant increase above the current value of approximately 60%, but the College plans to leverage lessons learned in the deployment of its enrollment management system to improve retention. Additionally, the College must look at its instructional activities, changing them in a way that provides higher value-added outcomes at lower unit cost to the institution.

The SC Legislature has shown little interest in adequately funding higher education, making the College more accountable for its financial sustainability. The College is confident that its mission of *Building the Community through Maximizing Student Success* is the way to long-term sustainability.

BASIC FINANCIAL STATEMENTS AND NOTES

An abstract graphic consisting of several dark blue geometric shapes and lines. A thick diagonal line runs from the bottom left towards the top right. To its right, there are several rectangular blocks of varying sizes, some of which are partially cut off by the edge of the frame. A thin diagonal line also runs parallel to the main thick line, intersecting the rectangular blocks.

This Page Intentionally Left Blank

YORK TECHNICAL COLLEGE
Statement of Net Position
June 30, 2019 and 2018

	June 30 2019	June 30 2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 19,265,227	21,265,801
Investments	5,945,763	5,703,717
Accounts Receivable, Net	2,000,681	2,100,686
Other Assets	-	11,090
Total Current Assets	<u>27,211,671</u>	<u>29,081,294</u>
NONCURRENT ASSETS		
Accounts Receivable, Net	2,310,607	2,192,258
Capital Assets	<u>37,690,955</u>	<u>31,662,609</u>
Total Noncurrent Assets	<u>40,001,562</u>	<u>33,854,867</u>
Total Assets	<u><u>67,213,233</u></u>	<u><u>62,936,161</u></u>
DEFERRED OUTFLOWS OF RESOURCES	6,584,976	7,296,683
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	2,304,766	1,466,328
Payroll Liabilities	479,648	534,641
Unearned Revenue	4,031,302	3,302,530
Funds Held for Others	50,736	43,648
Accrued Compensated Absences - Current	<u>526,602</u>	<u>500,306</u>
Total Current Liabilities	<u>7,393,054</u>	<u>5,847,453</u>
NONCURRENT LIABILITIES		
Accrued Compensated Absences - Long Term	486,094	520,727
Pension Liability	37,121,969	36,941,223
Other Post Employment Benefit Liability	<u>30,348,439</u>	<u>28,836,228</u>
Total Noncurrent Liabilities	<u>67,956,502</u>	<u>66,298,178</u>
Total Liabilities	<u><u>75,349,556</u></u>	<u><u>72,145,631</u></u>
DEFERRED INFLOWS OF RESOURCES	3,076,055	3,449,054
NET POSITION		
Net Investment in Capital Assets	37,690,955	31,662,609
Unrestricted Net Assets	<u>(42,318,357)</u>	<u>(37,024,452)</u>
Total Net Position	<u><u>\$ (4,627,402)</u></u>	<u><u>(5,361,843)</u></u>

YORK TECHNICAL COLLEGE
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019 and 2018

	June 30 <u>2019</u>	Restated June 30 <u>2018</u>
REVENUES		
OPERATING REVENUES		
Student Tuition and Fees (Net of Scholarship Allowance of \$9,655,095)	\$ 12,491,958	11,741,135
Federal Grants and Contracts	1,439,197	1,236,460
State and Local Grants and Contracts	7,453,230	6,951,742
Sales and Services of Educational Departments	1,007,314	1,051,580
Auxiliary Enterprises	390,667	744,380
Other Operating Revenues	236,469	313,386
Total Operating Revenues	<u>23,018,835</u>	<u>22,038,683</u>
EXPENSES		
OPERATING EXPENSES		
Salaries	19,663,933	20,437,768
Benefits	9,171,107	8,799,609
Scholarships	5,082,020	5,337,542
Utilities	1,078,980	1,010,512
Supplies and Other Services	6,438,128	6,384,442
Depreciation	1,958,275	1,870,972
Total Operating Expenses	<u>43,392,443</u>	<u>43,840,845</u>
Operating Income (Loss)	<u>(20,373,608)</u>	<u>(21,802,162)</u>
NONOPERATING REVENUES		
State Appropriations	7,943,474	7,657,162
County Appropriations	4,305,636	4,170,631
Investment Income	139,494	107,513
Interest Income	9,544	9,060
Unrealized Gain (Loss) on Investments	162,516	(134,746)
Federal Grants and Contracts	6,965,761	7,979,905
Net Nonoperating Revenues	<u>19,526,425</u>	<u>19,789,525</u>
Income (Loss) Before Other Revenues, Expenses	(847,183)	(2,012,637)
CAPITAL APPROPRIATIONS		
State Capital Appropriations	129,438	593,756
Local Capital Appropriations	1,452,186	888,419
Increase (Decrease) in Net Position	<u>1,581,624</u>	<u>1,482,175</u>
NET POSITION		
Beginning of Year	(5,361,843)	(4,831,381)
Net Assets - End of Year	<u>\$ (4,627,402)</u>	<u>(5,361,843)</u>

YORK TECHNICAL COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2019 and 2018

	June 30 <u>2019</u>	June 30 <u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 12,464,015	11,553,000
Federal, State and Local Grants and Contracts	8,784,639	9,006,034
Sales and Services of Educational Departments	1,007,444	1,051,580
Auxiliary Enterprise Charges	390,668	750,840
Other Receipts	248,300	139,316
Payments and Vendors	(6,667,580)	(7,132,308)
Payments to Employees	(5,082,020)	(4,794,772)
Payment for Scholarship	(26,866,705)	(28,001,452)
Net Cash Provided (Used) by Operating Activities	<u>(15,721,239)</u>	<u>(17,427,762)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,943,475	7,657,162
Local Appropriations	5,119,015	4,170,631
State, Local and Federal Grants, Gifts and Contracts	6,965,762	7,663,589
Net Cash Flows Provided by Noncapital Financing Activities	<u>20,028,252</u>	<u>19,491,382</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
County Appropriations	1,452,186	888,418
State Appropriations	186,439	1,276,458
Purchase of Capital Assets	(7,986,621)	(2,984,061)
Net Cash Provided by Capital and Related Financing Activities	<u>(6,347,996)</u>	<u>(819,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	1,439,408	739,800
Purchase of Investments	(1,518,938)	(833,385)
Interest on Investments - Includes Other College Accounts Interest	119,939	121,560
Net Cash Flows Provided (Used) by Investing Activities	<u>40,409</u>	<u>27,975</u>
Net Increase (Decrease) in Cash	(2,000,574)	1,272,410
Cash and Equivalents - Beginning of Year	<u>21,265,801</u>	<u>19,993,391</u>
Cash and Equivalents- End of Year	<u><u>\$ 19,265,227</u></u>	<u><u>21,265,801</u></u>

YORK TECHNICAL COLLEGE
Statement of Cash Flows, Continued
For the Year Ended June 30, 2019 and 2018

	<u>June 30</u>	<u>June 30</u>
	<u>2019</u>	<u>2018</u>
Reconciliation of Net Operating Revenue (Expenses) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (20,373,608)	(21,802,162)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Depreciation Expense	1,958,275	1,870,972
Pension Related Items	2,031,665	2,025,294
Change in Assets and Liabilities		
Receivables, Net	(457,347)	557,052
Other Assets	11,089	(9,016)
Accounts Payable	838,437	262,646
Payroll Liability	(54,992)	(8,936)
Compensated Absences	(8,337)	(240,339)
Funds Held for Others	7,089	94
Unearned Revenue	326,490	(83,367)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (15,721,239)</u></u>	<u><u>(17,427,762)</u></u>

YORK TECHNICAL COLLEGE
Component Unit
York Technical College Foundation, Inc.
Statement of Financial Position
For the Year Ended June 30, 2019 and 2018

	June 30, 2019	June 30, 2018
ASSETS		
Cash and Cash Equivalents	\$ 1,005,146	812,098
Investments	10,406,868	9,544,655
Accounts Receivable	574	-
Contributions Receivable	894,557	932,905
Funds Held in Trust by Others	216,277	208,451
Other Assets	6,571	23,195
Property and Equipment		
Net of Accumulated Depreciation	715,618	732,386
Total Assets	<u>\$ 13,245,611</u>	<u>12,253,690</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable and Accrued Expenses	\$ 145,256	10,408
Total Liabilities	<u>145,256</u>	<u>10,408</u>
Net Assets:		
Net Assets without Donor Restrictions		
Invested in Property and Equipment	424,466	441,234
Net Assets without Donor Restrictions - Other	672,110	501,076
Net Assets with Donor Restrictions		
Invested in Property and Equipment	291,152	291,152
Net Assets with Donor Restrictions - Other	11,712,627	7,427,377
Permanently Restricted	-	3,582,443
Total Net Assets	<u>13,100,355</u>	<u>12,243,282</u>
Total Liabilities and Net Assets	<u>\$ 13,245,611</u>	<u>12,253,690</u>

YORK TECHNICAL COLLEGE
Component Unit
York Technical College Foundation, Inc.
Statement of Activities
For the Year Ended June 30, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019 Total	2018 Total
REVENUE, GAINS AND OTHER SUPPORT				
Contributions, Net	\$ 11,279	808,611	819,890	504,296
Investment Income	2,305	462,246	464,551	531,608
Rental Income	76,279	-	76,279	69,922
Other Income	2,019	-	2,019	100
Loss on Sale of Property	-	-	-	(71,531)
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	568,050	(568,050)	-	-
Total Revenues, Gains and Other Support	\$ 659,932	702,807	1,362,739	1,034,395
EXPENSES				
Program Expenses	428,664	-	428,664	337,690
Support Services:				
Management and General	66,298	-	66,298	66,545
Fund Raising	10,704	-	10,704	2,535
Total Expenses	505,666	-	505,666	406,770
Change in Net Assets	154,266	702,807	857,073	627,625
Net Assets at Beginning of Year	942,310	11,300,972	12,243,282	11,615,657
Net Assets at End of Year	\$ 1,096,576	12,003,779	13,100,355	12,243,282

YORK TECHNICAL COLLEGE
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: York Technical College, a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of York, Chester, and Lancaster counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College's service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by Government Accounting Standards Board (GASB), consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

During fiscal year 2012-13, the State of South Carolina implemented GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. As a result of this implementation, the College will now be reported as a discretely presented component unit on the State of South Carolina's Comprehensive Annual Financial Report. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government instead of blending the College's financial information into the State's financial information.

The Foundation is a legally separate, tax-exempt non-governmental component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The twenty-eight member board of the Foundation is self-perpetuating and consists of community leaders and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or incomes thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. However, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies.)

Financial statements for the Foundation can be obtained by mailing a request to York Technical College Foundation, 452 South Anderson Road, Rock Hill, South Carolina 29730.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of York Technical College as the primary government.

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and GASB Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.

For 2013, the College implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, replaces the requirements of Statement No. 25 and Statement No. 50, and is effective for fiscal periods beginning after June 15, 2013. This statement affects the reporting requirements for pension plans that administer benefits. The South Carolina Public Employee Benefit Authority (PEBA) implemented the changes required by this standard in the South Carolina Retirement Systems' financial statements issued for the fiscal year ended June 30, 2014. This statement has no direct impact on the reporting requirements of employers participating in the plans, including the financial statements of the College.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, replaced the requirements of Statement No. 27, and is effective for fiscal periods beginning after June 15, 2014. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. York Technical College implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented as net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds." GASB Statement No. 40, Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3 requires disclosures related to deposit risks (e.g. custodial credit risk), investment risks (e.g. credit risk, which included custodial credit risk and concentrations of credit risks) and interest rate risk.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The College accounts for its investments at fair value in accordance with GASB Codification 150, *Investments*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students, and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts. Detail for accounts receivable are discussed in Note 3. Allowances for losses for student accounts receivables is established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2019 and 2018, the allowance for uncollectible student accounts was \$1,501,200 and \$1,500,365 respectively.

Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings, improvements, and land improvements, and 2 to 25 years for machinery, equipment, and vehicles. Effective July 1, 2011 the college adopted a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

Unearned Revenues and Deposits: Unearned revenues include amounts received for tuition, fees, and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities as well as short-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets.

Net Assets: The College's net assets are classified as follows:

Net investment in capital assets: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investments in capital assets.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can be used as both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

Classification of Revenues: The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Beginning fiscal year 2010, the SC Comptroller General's Office mandated that PELL grants be reclassified from operating revenue to non-operating revenue.

Sales, Services of Educational, and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the public. The College receives such revenues primarily from the Child Development Center.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by the bookstore. Revenues of internal service and the related expenditures of College departments have been eliminated. Effective March 1, 2004, Barnes and Noble assumed the operations of the Bookstore.

In fiscal year 2014, the College implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized as outflows of resources or inflow of resources. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2012.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS:

State Law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Vice President of Business Services. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

The deposits for York Technical College were \$19,990,536 at June 30, 2019 and \$21,321,729 at June 30, 2018; none were exposed to custodial credit risk as uninsured and uncollateralized. In addition, all these deposits were collateralized with securities held by the pledging institution in the College's name. The SC State Treasurer's Office monitors the collateral sufficiency and requires that collateral equal a minimum of 102%.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. York Technical College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk.

INVESTMENTS:

The South Carolina Code of Laws, Section 11-9-660, authorizes the College, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College has investments at June 30, 2019 and 2018, invested in government backed securities in compliance with the State of South Carolina Code of Laws.

As of June 30, 2019, the investment balances were as follows:

	<u>Carrying Value</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Credit Rating</u>
Fixed Income Securities:				
U.S. Treasury Bonds & Notes	\$ 3,609,236	9/30/19-11/15/24	1.91	N/A
U. S. Government Agencies	2,336,527	10/02/19-4/24/26	2.02	N/A
	<u>\$ 5,945,763</u>			

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

As of June 30, 2018, the investment balances were as follows:

	<u>Carrying Value</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Credit Rating</u>
Fixed income securities:				
U.S. Treasury Bonds & Notes	\$ 2,478,267	5/31/19-11/15/24	1.86	N/A
U. S. Government Agencies	3,225,450	09/18/18-4/24/26	1.95	N/A
	<u>\$ 5,703,717</u>			

Custodial Credit Risk:

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the College will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Vice President for Business Services. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

Credit Risk:

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations.

The College's policy concerning credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Executive Vice President. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have a policy on concentration of credit risk.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities.

The College does not have a policy concerning interest rate risk.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. York Technical College does not maintain investments that are denominated in a currency other than the United States dollar, and therefore, the College is not exposed to this risk.

The following schedule reconciles cash and investments as reported on the Statement of Net Assets to footnote disclosure provided for deposits and investments.

	<u>2019</u>	<u>2018</u>
STATEMENT OF NET ASSETS:		
Cash and Cash Equivalents	\$ 19,265,227	21,265,800
Investments	<u>5,945,763</u>	<u>5,703,717</u>
	<u><u>25,210,990</u></u>	<u><u>26,969,517</u></u>
DEPOSITS AND INVESTMENTS NOTE:		
Cash on Hand	1,279	1,279
Carrying Amount of Deposits, Net	19,263,948	21,264,521
Carrying Amounts of Investments	<u>5,945,763</u>	<u>5,703,717</u>
Total	<u><u>\$ 25,210,990</u></u>	<u><u>26,969,517</u></u>

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 and June 30, 2018, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Student Accounts	\$ 4,270,659	3,933,253
Less: Allowance for Doubtful Accounts	(1,501,200)	(1,500,365)
Federal Grants and Contracts	353,427	1,197,770
State Grants and Contracts	1,068,222	584,189
Other	<u>120,181</u>	<u>78,097</u>
Net Accounts Receivable	<u>4,311,288</u>	<u>4,292,943</u>
Current Portion	* 2,000,681	2,100,686
Non-Current Portion	<u>2,310,607</u>	<u>2,192,258</u>
	<u><u>* \$ 4,311,288</u></u>	<u><u>4,292,944</u></u>

*The non-current portion of accounts receivable has been discounted to present value using a 2% discount rate.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2019, the allowance for uncollectible student accounts is valued at \$1,501,200 and at June 30, 2018, the allowance for uncollectible student accounts is valued at \$1,500,365.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 4 - CAPITAL ASSETS

The activities in the College's capital assets for the fiscal year ended June 30, 2019 are as follows:

	Beginning Balance June 30, 2018	Increases	Decreases	Transfers	Ending Balance June 30, 2019
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 1,258,375	-	-	-	1,258,375
Construction In Progress	1,803,889	7,735,481	-	-	9,539,370
Total Capital Assets Not Being Depreciated	3,062,264	7,735,481	-	-	10,797,745
Capital Assets Being Depreciated:					
Buildings and Improvements	41,742,173	-	-	-	41,742,173
Machinery, Equipment and Other	6,878,149	154,281	-	-	7,032,430
Vehicles	838,036	96,859	16,837	-	918,058
Depreciable Land Improvements	8,803,076	-	-	-	8,803,076
Total Other Capital Assets At Historical Cost	58,261,434	251,140	16,837	-	58,495,737
Less Accumulated Depreciation For:					
Buildings And Improvements	(21,882,586)	(1,009,871)	-	-	(22,892,457)
Machinery, Equipment And Other	(5,532,913)	(353,791)	-	-	(5,886,704)
Vehicles	(508,268)	(78,350)	16,837	-	(569,781)
Depreciable Land Improvements	(1,737,322)	(516,263)	-	-	(2,253,585)
Total Accumulated Depreciation	(29,661,089)	(1,958,275)	16,837	-	(31,602,527)
Total Capital Assets Being Depreciated	28,600,345	(1,707,135)	-	-	26,893,210
Capital Assets, Net	\$ 31,662,609	6,028,346	-	-	37,690,955

There were no losses on the disposal of fixed assets in the fiscal year ended June 30, 2018.

The activities in the College's capital assets for the fiscal year ended June 30, 2018 are as follows:

	Beginning Balance June 30, 2017	Increases	Decreases	Transfers	Ending Balance June 30, 2018
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 1,258,375	-	-	-	1,258,375
Construction In Progress	1,397,314	2,309,833	-	(1,903,258)	1,803,889
Total Capital Assets Not Being Depreciated	2,655,689	2,309,833	-	(1,903,258)	3,062,264
Capital Assets Being Depreciated:					
Buildings and Improvements	41,742,173	-	-	-	41,742,173
Machinery, Equipment and Other	6,815,006	471,188	408,045	-	6,878,149
Vehicles	788,666	120,834	71,464	-	838,036
Depreciable Land Improvements	6,817,616	82,202	-	1,903,258	8,803,076
Total Other Capital Assets At Historical Cost	56,163,461	674,224	479,509	1,903,258	58,261,434
Less Accumulated Depreciation For:					
Buildings And Improvements	(20,779,922)	(1,102,664)	-	-	(21,882,586)
Machinery, Equipment And Other	(5,591,924)	(349,034)	408,045	-	(5,532,913)
Vehicles	(515,274)	(64,458)	71,464	-	(508,268)
Depreciable Land Improvements	(1,382,506)	(354,816)	-	-	(1,737,322)
Total Accumulated Depreciation	(28,269,626)	(1,870,972)	479,509	-	(29,661,089)
Total Capital Assets Being Depreciated	27,893,835	(1,196,748)	-	1,903,258	28,600,345
Capital Assets, Net	\$ 30,549,524	1,113,085	-	-	31,662,609

There were no losses on the disposal of fixed assets in the fiscal year ended June 30, 2018.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S)

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Benefits, Continued

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

The benefit formula for full service retirement annuity effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class Two members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class Three members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

The benefit formula for full benefits for the PORS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class Two members, AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave. For Class Three members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next ten years to a twenty year amortization period.

Effective July 1, 2018, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 20.61%. Included in the total SCRS employer contribution rate is a base retirement contribution of 14.410%, 0.15% for the incidental death benefit program and a 6.50% surcharge that will fund retiree health and dental insurance coverage. The College's actual retirement and incidental death benefit program contributions for participating employees and TERI participants to the SCRS for the years ended June 30, 2019, 2018, and 2017 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2019	14.410%	\$ 1,967,908	0.15%	\$ 20,485
2018	13.410%	\$ 1,977,737	0.15%	\$ 22,122
2017	11.410%	\$ 1,665,996	0.15%	\$ 21,902

Effective July 1, 2018, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 23.29%. Included in the total PORS employer contribution rate is a base retirement contribution of 16.84%, 0.20% for the incidental death benefit program, 0.20% for the accidental death program, and a 6.05% surcharge that will fund retiree health and dental insurance coverage. The College's actual retirement, incidental death benefit program and accidental death program contributions to the PORS for the years ended June 30, 2019, 2018, and 2017 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>		<u>Accidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2019	16.840%	\$ 34,596	0.20%	\$ 411	0.20%	\$ 411
2018	15.840%	\$ 26,008	0.20%	\$ 328	0.20%	\$ 328
2017	13.840%	\$ 15,753	0.20%	\$ 228	0.20%	\$ 228

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Contributions, Continued

Employee and employer contributions to the State ORP are at the same rates as SCRS. Employees participating in the State ORP were required to contribute 9.00% of all earnable compensation. In fiscal year 2019, the employer contribution rate for the State ORP was 14.41% plus the retiree surcharge of 5.5% that will fund retiree health and dental insurance coverage. Of the 14.41% employer contribution rate, the employer remits 5.00% directly to the participant's ORP account and the remaining 9.41% retirement contribution and 0.15% incidental death benefit program contribution amounts are remitted to SCRS.

For fiscal year 2019, total contributions requirements to the ORP were approximately \$565,471 (excluding the surcharge) from the College as employer.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL); and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled- forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

		<u>SCRS</u>		<u>PORS</u>
Actuarial Cost Method		Entry age normal		Entry age normal
Investment Rate of Return	1	7.25%		7.25%
Projected Salary Increases		3.0% to 12.5% (varies by service)	1	3.5% to 9.5% (varies by service) 1
Benefit Adjustments		Lesser of 1% or \$500 annually		Lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Actuarial Assumptions and Methods, Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

		<u>SCRS</u>		<u>PORS</u>	
Actuarial Cost Method		Entry age normal		Entry age normal	
Investment Rate of Return	1	7.25%		7.25%	
Projected Salary Increases		3.0% to 12.5% (varies by service)	1	3.5% to 9.5% (varies by service)	1
Benefit Adjustments		Lesser of 1% or \$500 annually		Lesser of 1% or \$500 annually	

1 Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Assumptions used in the determination of the June 30, 2017, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

<u>Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Pension</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 48,821,730,067	26,414,916,370	22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2017, for SCRS and PORS are presented below.

<u>Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Pension</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 48,244,437,494	25,732,829,268	22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements at <http://www.peba.sc.gov/assets/financialsretirement.pdf>. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

A plan's Net Pension Liability (NPL) is determined by reducing its total pension liability by its fiduciary net position. Total pension liability is defined by the Governmental Accounting Standards Board (GASB) as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the requirements of GASB 67. Total pension liability may be impacted annually by the cost of service accrued by participants, interest accrued on the liability, the impact of benefit and assumption changes, the cost of benefit payments, and the difference between expected and actual plan experience. The most significant impact on a plan's fiduciary net position relates to the rate of return on its investments. Consequently, significant fluctuations in the market value of investments substantially affect the fiduciary net position component of the NPL calculation, and as a result, cause a direct change in the NPL.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2017. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2017 actuarial valuations, using membership data as of July 1, 2017, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2018, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA's consulting actuary.

At June 30, 2019, the College reported liabilities of \$36,774,126 and \$347,843 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2018. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2018, the College's SCRS and PORS proportion was 0.164120% and 0.012277%, respectively.

For the year ended June 30, 2019, the College recognized net pension expenses of \$3,495,404 and \$52,930 for SCRS and PORS, respectively.

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	PORS
Deferred Outflows of Resources		
Liability Experience	\$ 66,382	10,718
Assumption Changes	1,458,992	22,936
Investment Experience	584,157	6,957
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	587,986	10,842
University Contributions Subsequent to the Measurement Date	1,988,393	35,418
TOTAL	<u>4,685,910</u>	<u>86,871</u>
Deferred Inflows of Resources		
Liability Experience	216,406	-
Investment Experience	-	-
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	363,239	13,669
TOTAL	<u>\$ 579,645</u>	<u>13,669</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

The \$4,685,910 and \$88,861 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	SCRS	PORS
2019	\$ 1,358,235	26,751
2020	1,133,827	11,795
2021	(319,554)	(269)
2022	(54,625)	(269)
2023	-	-
Thereafter	-	-

At June 30, 2018, the College reported liabilities of \$36,594,175 and \$347,048 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2017. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2017, the College's SCRS and PORS proportion was 0.162557% and 0.01267%, respectively.

For the year ended June 30, 2018, the College recognized net pension expenses of \$3,546,312 and \$52,467 for SCRS and PORS, respectively.

At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	PORS
Deferred Outflows of Resources		
Liability Experience	\$ 163,138	3,095
Assumption Changes	2,142,197	32,938
Investment Experience	1,021,538	12,367
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	513,864	23,022
University Contributions Subsequent to the Measurement Date	2,304,069	26,665
TOTAL	<u>6,144,806</u>	<u>98,087</u>
Deferred Inflows of Resources		
Liability Experience	20,283	-
Investment Experience	-	-
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	693,315	9,118
TOTAL	<u>\$ 713,598</u>	<u>9,118</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

The \$2,304,069 and \$26,665 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>SCRS</u>	<u>PORS</u>
2018	\$ 837,872	23,818
2019	1,389,662	27,146
2020	1,170,125	11,795
2021	(270,520)	(455)
2022	-	-
Thereafter	-	-

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital markets outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.0 percent real rate of return and a 2.25 percent inflation component.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Long-term Expected Rate of Return, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 5 - PENSION PLAN(S), Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws would remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the College's proportionate share of the SCRS and PORS net pension liability calculated using the discount rate of 7.25 percent, as well as what the College's respective net pension liability would be if it were calculated using a discount rate of 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 46,990,505	36,774,126	29,470,395
PORS	468,963	347,863	248,672

The following table presents the College's proportionate share of the SCRS and PORS net pension liability calculated using the discount rate of 7.25 percent, as well as what the College's respective net pension liability would be if it were calculated using a discount rate of 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 47,164,890	36,594,175	30,180,267
PORS	468,580	347,048	251,318

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' <http://www.peba.sc.gov/assets/financialsretirement.pdf> (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the http://www.peba.sc.gov/assets/06.30.2017-accounting-valuation-report_final-for-webpage.pdf.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS

Description of the Entity

The South Carolina General Assembly as part of Act No. 278 created the South Carolina Public Employee Benefit Authority (PEBA) effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July 1 of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

Plan Description

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA, Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge was 6.05% and 5.50%, for the fiscal years ended June 30, 2019 and for 2018, respectively. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal years ended June 30, 2019 and 2018. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Contributions and Funding Policies, Continued

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2018 totaled \$474,304,318. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of negative \$511,143.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the year ended June 30, 2019, the College recognized nonemployer contributions of \$229,014 in Operating Revenues, Grants and Contracts on the Statement of Revenues, Expenses and Changes in Net Position.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is included in the comprehensive annual financial report of the state.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.62% as of June 30, 2018
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an Ultimate trend rate of 4.15% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees eligible for partial funded premiums 20% for retirees eligible for Non funded premiums
Notes:	The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums
Notes:	There were no benefit changes during the year; The discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit Projections
Notes:	The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of Plan investment expense; including inflation
Single Discount Rate:	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates Developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for Active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Notes:	There were no benefit changes during the year. The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2018:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a % of Total OPEB Liability</u>
SCRHITF	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	\$ 39,261,091	\$ 36,199,863	\$ 3,061,288	92.20%

The following table represents the components of the net OPEB liability as of June 30, 2017:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a % of Total OPEB Liability</u>
SCRHITF	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%
SCLTDITF	\$ 38,510,568	\$ 36,697,589	\$ 1,812,979	95.29%

The Trusts' actuary calculates the TOL, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for satisfying the requirements of GASB Nos. 74, 75, and are not applicable for other purposes, such as determining the Trusts' funding requirements.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Single Discount Rate

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions would remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2040. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Long-Term Expected Rate of Return

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

2018 Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

2017 Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability (and the College's proportional share) calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

		Current Discount Rate 3.62%	
2018	1% Decrease 2.62%		1% Increase 4.62%
SCRHITF Net OPEB Liability	\$ 16,694,310,371	\$ 14,170,584,948	\$ 12,136,262,451
YTC Proportionate Share	\$ 35,748,195	\$ 30,344,040	\$ 25,987,864

		Current Discount Rate 3.56%	
2017	1% Decrease 2.56%		1% Increase 4.56%
SCRHITF Net OPEB Liability	\$ 15,951,988,645	\$ 13,544,836,210	\$ 11,604,082,103
YTC Proportionate Share	\$ 33,957,796	\$ 28,833,610	\$ 24,702,190

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

		Current Healthcare Cost Trend Rate	
2018	1% Decrease		1% Increase
SCRHITF Net OPEB Liability	\$ 11,660,103,553	\$ 14,170,584,948	\$ 17,416,172,438
YTC Proportionate Share	\$ 24,968,246	\$ 30,344,040	\$ 37,293,947

		Current Healthcare Cost Trend Rate	
2017	1% Decrease		1% Increase
SCRHITF Net OPEB Liability	\$ 11,107,326,981	\$ 13,544,836,210	\$ 16,700,824,804
YTC Proportionate Share	\$ 23,644,722	\$ 28,833,610	\$ 35,551,881

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Sensitivity Analysis, Continued

The following table presents the SCLTDITF's net OPEB liability (and the College's proportionate share) calculated using a Single Discount Rate of 3.91%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

2018	1% Decrease 2.91%	Current Discount Rate 3.91%	1% Increase 4.91%
SCLTDITF Net OPEB Liability	\$ 4,574,989	\$ 3,061,228	\$ 1,583,837
YTC Proportionate Share	6,575	4,399	2,276
2017	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
SCLTDITF Net OPEB Liability	\$ 3,225,261	\$ 1,812,979	\$ 426,690
YTC Proportionate Share	4,729	2,618	626

OPEB Expense

Components of collective OPEB expense (and the College's proportionate share) reported in the Allocation of the OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB for the fiscal year ended June 30, 2018 are presented below.

Additional items included in Total Aggregate OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

2018 Description	SCRHITF	College's Proportionate Share	SCLTDITF	College's Proportionate Share
Service Cost	\$ 521,172,493	1,116,008	7,555,741	10,859
Interest on the Total OPEB Liability	522,862,057	1,119,625	1,481,366	2,129
Current-Period Benefit Changes	-	-	-	-
Projected Earnings on Plan Investments	(46,615,784)	(99,820)	(1,456,890)	(2,094)
Employee Contributions	-	-	-	-
OPEB Plan Administrative Expense	65,000	139	10,000	14
Other Changes in Plan Fiduciary Net Position	-	-	-	-
Recognition of Outflow (Inflow) of Resources due to Assets	(184,224,861)	(394,488)	(43,948)	(63)
Recognition of Outflow (Inflow) of Resources Due to Assets	15,038,494	32,203	499,169	717
Total Aggregate OPEB Expense	\$ 828,297,399	1,773,667	8,045,438	11,562

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

OPEB Expense, Continued

2017 Description	SCRHITF	College's Proportionate Share	SCLTDITF	College's Proportionate Share
Service Cost	\$ 610,843,077	1,300,266	7,952,412	11,653
Interest on the Total OPEB Liability	455,295,633	969,211	1,399,527	2,052
Current-Period Benefit Changes	-	-	-	-
Employee Contributions	-	-	-	-
Projected Earnings on Plan Investments	(42,552,466)	(90,584)	(1,463,577)	(2,146)
OPEB Plan Administrative Expense	10,000	21	10,000	15
Other Changes in Plan Fiduciary Net Position	-	-	-	-
Recognition of Outflow (Inflow) of Resources due to Assets	(204,992,743)	(436,378)	(18,366)	(27)
Recognition of Outflow (Inflow) of Resources Due to Assets	5,818,459	12,386	218,380	320
Total Aggregate OPEB Expense	\$ 824,421,960	1,754,922	8,098,376	11,867

Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Amounts

At June 30, 2019, the College reported liabilities of \$30,344,040 and \$4,399 for its proportionate share of the net OPEB liabilities of the SCRHITF and SCLTDITF. The net OPEB liability was measured as of June 30, 2018. The College's proportion of the net OPEB liability was based on the College's share of contributions to the plan relative to the contributions of all participating employers. At June 30, 2018, the College's proportion was .214134%.

For the year, the College recognized net OPEB expenses of \$1,811,150.

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to Employer OPEB expense from the following sources:

	<u>SCRHITF</u>	<u>SCLTDITF</u>
Deferred Outflow of Resources		
Liability Experience	454,567	-
Investment Experience	\$ 116,351	2,556
Outstanding Inflow Balance between Employer Contributions and Proportionate Share of Plan Contributions	161,426	-
College Contributions Subsequent to the Measurement Date	<u>1,064,868</u>	<u>12,429</u>
Total	<u><u>1,797,212</u></u>	<u><u>14,985</u></u>
Deferred Inflow of Resources		
Liability Experience	10,573	-
Investment Experience	-	269
Assumption Change	2,470,920	287
Outstanding Inflow Balance between Employer Contributions and Proportionate Share of Plan Contributions	<u>346</u>	<u>346</u>
Total	<u><u>\$ 2,481,839</u></u>	<u><u>902</u></u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Amounts, Continued

At June 30, 2018 the College reported liabilities of \$28,833,610 and \$2,618 for its proportionate share of the net OPEB liabilities of the SCRHITF and SCLTDITF. The net OPEB liability was measured as of June 30, 2017. The College's proportion of the net OPEB liability was based on the College's share of contributions to the plan relative to the contributions of all participating employers. At June 30, 2017 the College's proportion was .212875%.

For the year, the College recognized net OPEB expenses of \$1,766,789.

At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to Employer OPEB expense from the following sources:

	<u>SCRHITF</u>	<u>SCLTDITF</u>
Deferred Outflow of Resources		
Investment Experience	\$ 49,545	1,281
College Contributions Subsequent to the Measurement Date	<u>992,721</u>	<u>10,242</u>
Total	<u><u>1,042,266</u></u>	<u><u>11,523</u></u>
Deferred Inflow of Resources		
Liability Experience	12,544	-
Assumption Change	2,713,075	241
Outstanding Inflow Balance between Employer Contributions and Proportionate Share of Plan Contributions	<u>412</u>	<u>66</u>
Total	<u><u>\$ 2,726,031</u></u>	<u><u>307</u></u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

The \$987,132 and \$10,465 reported as deferred outflows of resources related to Employer OPEB resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of net OPEB in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>
2019	\$ (336,328)	617
2020	(336,328)	617
2021	(348,787)	617
2022	(368,530)	303
2023	(23,194)	(100)
Thereafter	-	(401)

The \$992,721 and \$10,242 reported as deferred outflows of resources related to Employer OPEB resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of net OPEB in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>
2018	\$ (424,058)	286
2019	(424,058)	286
2020	(424,058)	286
2021	(424,058)	286
2022	(436,444)	(34)
Thereafter	(543,810)	(136)

NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

In the opinion of College Administration, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

The College participates in certain Federal programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures allowed under terms of the grant. The College administration believes disallowances, if any, be immaterial.

At June 30, 2019, the College had remaining project commitment balances of approximately \$882,825 for Library and Learning Commons Phase I, and other Master Plan Projects.

OTHER CAPITAL PROJECTS

Other capital projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS, Continued

Unrestricted Net Assets (Net of GASB 68 Liability)

Planned Uses of Unrestricted Net Assets at June 30:

	2019
60 Day Operating Reserve	\$ 5,929,117
Master Plan Implementation	10,892,976
Deferred Maintenance	1,000,000
Academic Equipment Reserve	500,000
Operating Contingency	1,000,000
	<u>\$ 19,322,093</u>

Planned Uses of Unrestricted Net Assets at June 30:

	2018
60 Day Operating Reserve	\$ 5,877,438
Master Plan Implementation	14,304,097
Deferred Maintenance	1,000,000
Academic Equipment Reserve	500,000
Operating Contingency	1,000,000
	<u>\$ 22,681,535</u>

NOTE 8 - LEASE OBLIGATIONS

Future commitments for operating leases in excess of one year as reported at June 30, 2019 are as follows:

<u>Year Ended June 30, 2019</u>	<u>Operating Leases/ Equipment</u>
2020	\$ -
2021	-
2022	-
2023	-
Total Minimum Payments	<u>\$ -</u>

Future commitments for operating leases in excess of one year as reported at June 30, 2018 were as follows:

<u>Year Ended June 30, 2018</u>	<u>Operating Leases/ Equipment</u>
2019	\$ 124,539
2020	28,137
2021	-
2022	-
2023	-
Total Minimum Payments	<u>\$ 152,676</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 9 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 was as follows:

	June 30, 2018	Addition	Reductions	June 30, 2019	Current Portion	Noncurrent Portion
Accrued Compensated Absences	1,021,033	277,248	285,585	1,012,696	526,602	486,094
Total Long-Term Liabilities	<u>\$ 1,021,033</u>	<u>277,248</u>	<u>285,585</u>	<u>1,012,696</u>	<u>526,602</u>	<u>486,094</u>

Long-term liability activity for the year ended June 30, 2018 was as follows:

	June 30, 2017	Addition	Reductions	June 30, 2018	Current Portion	Noncurrent Portion
Accrued Compensated Absences	1,261,372	369,317	609,656	1,021,033	500,306	520,727
Total Long-Term Liabilities	<u>\$ 1,261,372</u>	<u>369,317</u>	<u>609,656</u>	<u>1,021,033</u>	<u>500,306</u>	<u>520,727</u>

NOTE 10 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include York Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14 as amended by GASB 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

Following is a more detailed discussion of the Foundation and a summary of significant transactions (if any) between the Foundation and the College for the year ended June 30, 2019.

The York Technical College Foundation

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of York Technical College. The Foundation's activities are governed by its Board of Directors.

York Technical College received \$207,335 from the Foundation for the fiscal year ended June 30, 2019 and \$190,289 for the fiscal year ended June 30, 2018. These funds were used to support College programs such as scholarships and facility utilization. The Foundation reimburses the College for any purchases made by the College on behalf of the Foundation.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 10 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS, Continued

Related party receivables and payables as of June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Due from York Technical College Foundation	\$ 143,640	32,930
Due to York Technical College Foundation	-	-

NOTE 11 - RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets including data processing;
- Real property, its contents, and other equipment;
- Motor vehicles;
- General tort liability

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 12 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2019 are summarized as follows:

	Salaries	Benefits	Scholarship	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 10,066,777	4,274,696	-	-	2,017,719	-	16,359,192
Academic Support	2,732,502	1,179,510	-	-	719,359	-	4,631,371
Student Services	2,130,770	1,032,767	-	-	295,067	-	3,458,604
Operation and Maintenance of Plant	1,497,444	787,786	-	1,078,980	950,549	-	4,314,759
Institutional Support	3,236,440	1,896,348	-	-	2,410,009	-	7,542,797
Scholarships & Fellowships	-	-	5,082,020	-	-	-	5,082,020
Auxiliary Enterprises	-	-	-	-	45,425	-	45,425
Depreciation	-	-	-	-	-	1,958,275	1,958,275
Total Operating Expenses	<u>\$ 19,663,933</u>	<u>9,171,107</u>	<u>5,082,020</u>	<u>1,078,980</u>	<u>6,438,128</u>	<u>1,958,275</u>	<u>43,392,443</u>

Operating expenses by functional classification for the year ended June 30, 2018 are summarized as follows:

	Salaries	Benefits	Scholarship	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 10,643,597	4,457,676	-	-	1,721,764	-	16,823,037
Academic Support	2,723,078	1,246,011	-	-	997,739	-	4,966,828
Student Services	2,102,092	1,026,620	-	-	334,267	-	3,462,979
Operation and Maintenance of Plant	1,467,792	778,830	-	1,010,512	886,799	-	4,143,933
Institutional Support	3,364,211	1,234,620	-	-	2,161,863	-	6,760,694
Scholarships & Fellowships	-	-	5,337,542	-	-	-	5,337,542
Auxiliary Enterprises	136,998	55,852	-	-	282,010	-	474,860
Depreciation	-	-	-	-	-	1,870,972	1,870,972
Total Operating Expenses	<u>\$ 20,437,768</u>	<u>8,799,609</u>	<u>5,337,542</u>	<u>1,010,512</u>	<u>6,384,442</u>	<u>1,870,972</u>	<u>43,840,845</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 13 - STATE APPROPRIATIONS

State funds for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board) and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner. Appropriations are recognized as revenue when received and available. Amounts that are not expended by fiscal year-end lapse and are required to be returned to the General Fund of the State unless the Board receives authorization from the General Assembly to carry the funds over to the next year.

The following is a detailed schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2019 and June 30, 2018.

	<u>2019</u>	<u>2018</u>
NON-CAPITAL APPROPRIATIONS		
Current Year's Appropriations:		
Appropriations from State Board Allocation - Salary and Fringes	\$ 7,801,168	7,216,140
Appropriations from SC Education Lottery Fund	142,306	179,309
Other	-	261,713
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 7,943,474</u>	<u>7,657,162</u>
CAPITAL APPROPRIATIONS		
Capital Reserve Funds	<u>\$ 129,438</u>	<u>593,756</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 129,438</u>	<u>593,756</u>

NOTE 14 - REQUIRED INFORMATION ON BUSINESS - TYPE ACTIVITIES

	<u>2019</u>	<u>2018</u>	<u>Increase/ (Decrease)</u>
Charges for Services	\$ 23,018,832	22,038,684	980,148
Operating Grants and Contributions	11,271,398	12,150,536	(879,138)
Capital Grants and Contributions	1,452,186	888,418	563,768
Less: Expenses	<u>(43,392,442)</u>	<u>(43,840,845)</u>	448,403
Net Program Revenue (Expense)	<u>(7,650,026)</u>	<u>(8,763,207)</u>	1,113,181
General Revenues:			
Earnings on Investments	149,037	(18,173)	167,210
Gains and (Losses) on Investments	162,516	-	162,516
Transfers:			
State Appropriations	<u>8,072,912</u>	<u>8,250,917</u>	(178,005)
Total General Revenue and Transfers	<u>8,384,465</u>	<u>8,232,744</u>	151,721
Change in Net Assets	734,439	(530,463)	1,264,902
Beginning of Year	(5,361,841)	(4,831,381)	(530,460)
Cumulative Effect of Accounting Change	-	-	-
Net Position - Beginning as Restated	<u>(5,361,841)</u>	<u>(4,831,381)</u>	(530,460)
Net Position - Ending	<u>\$ (4,627,402)</u>	<u>(5,361,843)</u>	734,441

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 15 – NOTE PAYABLE

The College did not have any outstanding notes payable at June 30, 2019 or at June 30, 2018.

NOTE 16 – TAX ABATEMENTS

The College receives support in the form of property tax revenue from two Counties in its service area: Chester County and York County. Each of the Counties has entered into various property tax abatement agreements with local businesses.

Companies that are located in South Carolina and are classified as manufacturing facilities are subject to *ad valorem* taxes. The fair market value is multiplied by the assessment ratio, generally equal to 10.5%, to produce the assessed value and then multiplied by the millage rate. The three counties provide certain tax reductions through the following programs:

1. Fee in Lieu of Ad Valorem Tax
2. Special Source Revenue Credit

The *Fee in Lieu of Ad Valorem Tax* program is intended to encourage investment in commercial and industrial investments in South Carolina. The property tax reduction is granted pursuant to Chapter 44 of Title 12 of the South Carolina Code of Laws of South Carolina 1976 as amended. Taxpayers are eligible to receive a reduction in property taxes, through reduced assessed values and locked millage rates, if they enter into an agreement with the County and invest at least \$2.5 million in taxable property (or some other negotiated investment floor) within a 5-year period. Under the *Fee in Lieu of Ad Valorem Tax* program, if a taxpayer does not make the required investment within the 5 year period, then the reduced property taxes terminate and the taxpayer must repay the County the difference between the abated taxes received and what the taxpayer would have paid had it not had the benefit of the *Fee in Lieu of Ad Valorem Tax* program.

The two counties that provide support to the College have multiple taxpayers that have entered into agreements under the *Fee in Lieu of Ad Valorem Tax* program. In the aggregate, these taxpayers, without the benefit of the program would pay significantly more in *ad valorem* tax. However, due to the benefit provided by the *Fee in Lieu of Ad Valorem Tax* program, the taxpayers paid less in the most recent fiscal year, as shown in the table below.

The *Special Source Revenue Credit* program is intended to encourage investment into infrastructure serving the County or infrastructure serving a commercial or manufacturing enterprise in the County. The property tax reduction is granted pursuant to Chapter 1 of Title 4 of the South Carolina Code of Laws of South Carolina 1976, as amended. All property that is located in an MCIP, *Multi-County Industrial Park*, is exempt from property taxes, but property owners must pay an amount equivalent to the property taxes that would otherwise be due. The companies that make an agreement with the county based on this option are based on infrastructure credits or credits based on investments /money spent to improve a facility. Taxpayers are eligible to receive a percentage reduction off their total property tax liability if the taxpayer is located in a multicounty park, enters into an agreement with the County and agrees to make an investment in taxable property in the County and create jobs. If the taxpayer does not meet its investment or job commitments, the taxpayer must repay a portion of the reduction.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 16 – TAX ABATEMENTS, Continued

These two counties have several taxpayers that have entered into agreements with the counties under the Special Source Revenue Credit program. Taken together, these taxpayers, without the benefits of the program would pay more in ad valorem tax in the most recent fiscal year. However, due to the benefit provided by the *Special Source Revenue Credit* program, the taxpayers pay significantly less as shown below.

	Fee in Lieu of Tax	Special Source Revenue Credits	Total	Total Ad Valorem Tax	Total
Chester County	\$ 14,571	825	15,396	60,664	76,060
York County	175,422	-	175,422	350,630	526,052
Total	<u>\$ 189,993</u>	<u>825</u>	<u>190,818</u>	<u>411,294</u>	<u>602,112</u>

* N/A = Not Available

NOTE 17- COMPONENT UNIT

1. General

The York Technical College Foundation, Inc. (the Foundation) was incorporated under the laws of South Carolina on May 17, 1983, for the purpose of seeking funds and resources to further the educational mission of York Technical College. The Foundation is exclusively a charitable and educational corporation within the meaning of section 501(c)(3) of the Internal Revenue Service Code. The Foundation is considered a component unit of York Technical College.

2. Summary of Significant Accounting Policies

Classes of Net Assets

The financial statements report amounts separately by class of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are those currently available for use by the Foundation.

Net Assets With Donor Restrictions - Net assets with donor restrictions are contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations. This also includes contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Foundation's actions.

Donor-Imposed Restrictions - All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

For the fiscal year 2018-2019, net assets with donor restrictions are for scholarships to York Technical College students, as well as, equipment, building improvements, buildings and teacher incentives. Net assets with donor restrictions also includes named endowments of which the earnings from the corpus are to be used for scholarships.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

2. Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash or highly liquid investments with a maturity of three months or less when purchased.

The cash balance at June 30, 2019 was \$1,005,146 and the bank balance was \$992,733 of which \$735,355 was not insured by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses on its cash equivalents.

Investments – Investments are presented in the financial statements in the aggregate at fair market value. Investments consist of two separate trusts under agreements with a financial management company. The trustee, by agreement, can invest in stocks, bonds, negotiable securities and property (real and personal) as the trustee deems advisable. All investments are in the name of the Foundation.

	Fair Value	
	2019	2018
Money Funds	\$ 599,996	273,650
Fixed Income:		
US Government and Agency	865,970	714,053
Corporate	912,847	943,809
Equities and Mutual Funds	8,028,055	7,613,143
	<u>\$ 10,406,868</u>	<u>9,544,655</u>

The Foundation accounts for its investments at fair value. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the statement of activities. The total unrealized gains at June 30, 2019 are \$56,803.

Funds Held in Trust by Others - Trust agreements under which the Foundation has no control over the investment of assets are at the fair value of the investments held as reported by the custodians. Changes in the value of the assets are included in the statement of activities as increases and decreases to contributions received. Distributions to the Foundation during the life of the agreement are recognized as contributions received in the appropriate net asset classification in accordance with the donor's wishes.

Public Support, Revenue and Expenses – The Foundation recognizes contributions and investment income on the accrual basis. Interest income earned on the endowments are allocated to the endowments in the endowment fund. All other interest income is recorded in the net assets without donor restrictions category. Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

2. Summary of Significant Accounting Policies, Continued

Endowment - The Foundation's endowment includes donor restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2019	2018
Cash and Cash Equivalents	\$ 676,248	-
Accounts Receivable	574	-
	<u>\$ 676,822</u>	<u>-</u>

4. Property and Equipment

Property and equipment are carried at cost. The Foundation reports depreciation using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are generally as follows:

Land improvements	20 years
Buildings and improvements	28 years
Furniture	3 years

The Foundation capitalizes all property and equipment with a 1 year or longer life and with a cost or donated fair value of \$1,000 or more. Property and equipment details are as follows:

	June 30, 2018	Additions	Deletions	June 30, 2019
Cost				
Land	\$ 516,899	-	-	516,899
Land Improvements	28,000	-	-	28,000
Building	394,810	-	-	394,810
Building Improvements	74,668	-	-	74,668
	<u>1,014,377</u>	<u>-</u>	<u>-</u>	<u>1,014,377</u>
Accumulated Depreciation				
Land Improvements	(28,000)	-	-	(28,000)
Building and Improvements	(253,991)	(16,768)	-	(270,759)
	<u>(281,991)</u>	<u>(16,768)</u>	<u>-</u>	<u>(298,759)</u>
Net Book Value	<u>\$ 732,386</u>	<u>(16,768)</u>	<u>-</u>	<u>715,618</u>

Depreciation expense recorded for 2018/2019 was \$16,768.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

4. Property and Equipment, Continued

	June 30, 2017	Additions	Deletions	June 30, 2018
Cost				
Land	\$ 597,899	-	(81,000)	516,899
Land Improvements	28,000	-	-	28,000
Building	583,810	-	(189,000)	394,810
Building Improvements	74,668	-	-	74,668
	<u>1,284,377</u>	<u>-</u>	<u>(270,000)</u>	<u>1,014,377</u>
Accumulated Depreciation				
Land Improvements	(28,000)	-	-	(28,000)
Building and Improvements	(284,474)	(17,986)	48,469	(253,991)
	<u>(312,474)</u>	<u>(17,986)</u>	<u>48,469</u>	<u>(281,991)</u>
Net Book Value	<u>\$ 971,903</u>	<u>(17,986)</u>	<u>(221,531)</u>	<u>732,386</u>

Depreciation expense recorded for 2017/2018 was \$17,986.

5. Taxes

The Foundation meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Section 501(c)(3) of the Code. As of the date of this report, the tax years ending June 30, 2019, 2018, 2017 and 2016 remain open and subject to review by the Internal Revenue Service. Management of the Foundation does not expect any tax liability to result from these tax periods. The Foundation is not classified as a private foundation.

6. Contributions Receivable, Net

The contributions receivable in the temporarily restricted fund are related to pledges for capital projects and the Annual Fund. The amounts receivable in more than one year are discounted at 2% by management. Management does not expect any losses, thus no allowance for uncollectible amounts has been recorded. The contributions receivable details are as follows:

	2019	2018
Receivable in Less than One Year	\$ 135,861	287,952
Receivable in One to Five Years	494,719	576,168
Receivable Thereafter	<u>325,041</u>	<u>150,000</u>
Total Pledges and Contributions Receivable	955,621	1,014,120
Less, Discounts to Net Present Value	<u>(61,064)</u>	<u>(81,215)</u>
Net Pledges and Contributions	<u>\$ 894,557</u>	<u>932,905</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

7. Investment Income

Investment income consists of the following:

	2019	2018
Interest and Dividends	\$ 204,259	193,921
Gains and Losses	313,851	396,560
Investment Fees	(53,559)	(58,873)
	<u>\$ 464,551</u>	<u>531,608</u>

8. Related Party Transactions

Due to the purpose of the Foundation, York Technical College (the "College") is a related party. The Foundation seeks funds and resources to further the educational mission of the College. It provides to the College's students, scholarships, while the College provides to the Foundation, the personnel to manage the Foundation's activities. All transactions are conducted at arms- length.

Amounts paid and accrued to the College during 2019 were \$69,590 for scholarships, \$3,000 for rent, \$35,000 for salaries, and \$77,112 for supplies and other costs. As of June 30, 2019, the Foundation owed the College \$143,460, which is included in accounts payable.

Additionally, the Foundation paid a salary supplement directly to the College President in the amount of \$55,000 and a one-time bonus of \$5,000.

The College has three operating leases for instructional facilities from the Foundation that expire through December 2019. The monthly lease rates are \$4,690 for the Wilson Street property and \$1,667 for the Heavy Equipment Building. The Foundation collected \$76,279 for these leases during the year ended June 30, 2019. Estimated future lease revenue for the year ended June 30, 2020 is \$48,139.

9. Employee Compensated Absences

The Foundation has no employees as all persons providing services to the Foundation are either College employees or independent contractors. As such, any College employee's rights to receive compensation for future absences, such as vacation, are not recognized in these financial statements.

10. Contingencies and Commitments

Due to the nature of the Foundation's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may be the result of litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies if the related liability has not been recorded, yet a loss is reasonable possible. Guarantees of other's debts are loss contingencies, however, even if the probability of loss is remote. The Foundation maintains insurance against certain loss contingencies with liability policies and physical damage coverage. At the date of this report, management is not aware of any contingencies that will result in any material loss to the Foundation.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

11. Fair Value

Information about the fair value of financial instruments for which it is practical to estimate that value, whether or not recognized in the Statement of Financial Position, is required to be disclosed. Fair value is determined using various methods and assumptions.

The following methods and assumptions were used to estimate the fair value for the classification within the financial statements:

- a. *Investments* – fair value is approximated by the balance reported by the custodian based on market values of the investment assets.
- b. *Contributions receivable* – fair value is approximated by discounting the expected future cash flows.
- c. *Funds held by others* - fair value is approximated by the balance reported by the custodian based on market values of the investment assets.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

The estimated fair values of the Foundation's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	Level	Carrying Value	Fair Value
2019 Financial Assets			
Investments	1	\$ 10,406,868	\$ 10,406,868
Funds Held by Others	2	216,277	216,277
Contributions Receivable	3	894,557	894,557
2018 Financial Assets			
Investments	1	\$ 9,544,655	\$ 9,544,655
Funds Held by Others	2	208,451	208,451
Contributions Receivable	3	932,905	932,905

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

11. Fair Value, Continued

The Foundation recognized a decrease in the amount of \$38,348 in level 3 for the decrease in contributions receivable during the year.

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Foundation. The Foundation recognized \$56,803 in unrealized gains resulting from changes in fair value during the period.

12. Endowment Fund

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act (SCUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets held in perpetuity is classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

In accordance with SCUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

12. Endowment Fund, Continued

Change in endowment net assets consists of the following as of June 30, 2019:

	Endowment Fund		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment Net Assets, June 30, 2018	\$ -	5,923,371	5,923,371
Investment Return	-	251,342	251,342
Contributions	-	191,581	191,581
Program Releases	63,970	(63,970)	-
Board Approved Payouts	(63,970)	-	(63,970)
Endowment Net Assets, June 30, 2019	-	6,302,324	6,302,324
Endowment Net Assets, June 30, 2019	-	6,302,324	6,302,324
Net Endowment Net Assets	1,096,576	5,701,455	6,798,031
Total Net Assets	\$ 1,096,576	12,003,779	13,100,355

Change in endowment net assets consists of the following as of June 30, 2018:

	Endowment Fund			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Permanently Restricted	Total
Endowment Net Assets, June 30, 2017	\$ -	2,106,786	3,521,635	5,628,421
Investment Return	-	294,692	-	294,692
Contributions	-	-	60,808	60,808
Program Releases	60,550	(60,550)	-	-
Board Approved Payouts	(60,550)	-	-	(60,550)
Endowment Net Assets, June 30, 2018	-	2,340,928	3,582,443	5,923,371
Endowment Net Assets, June 30, 2018	-	2,340,928	3,582,443	5,923,371
Net Endowment Net Assets	942,310	5,377,601	-	6,319,911
Total Net Assets	\$ 942,310	7,718,529	3,582,443	12,243,282

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

12. Endowment Fund, Continued

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor- specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce investment returns at least equal to inflation as measured by the Consumer Price Index plus a 4% pay out and 1% for associated fees while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains and losses) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 months through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 8 to 10 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

13. Net Assets With Donor Restrictions

At June 30, 2019 and 2018 net assets with donor restrictions are restricted for the following purposes:

	2019	2018
Subject to Expenditure for Specified Purpose:		
Scholarships	\$ 1,999,457	-
Other College Support	4,077,171	-
	<u>6,076,628</u>	<u>-</u>
Endowments:		
Scholarships	2,087,658	-
Other College Support	65,469	-
	<u>2,153,127</u>	<u>-</u>
Held in Perpetuity:		
Scholarships	936,148	-
Other College Support	2,837,876	-
	<u>3,774,024</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u>\$ 12,003,779</u>	<u>-</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2019 and 2018

NOTE 17- COMPONENT UNIT, Continued

13. Net Assets With Donor Restrictions, Continued

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors as follows for the year ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Scholarships	175,026	-
Other College Support	<u>393,024</u>	<u>-</u>
	<u>\$ 568,050</u>	<u>-</u>

NOTE 18 – SUBSEQUENT EVENTS

Management has, through September 25, 2019, considered whether events have occurred or circumstances exist subsequent to the date of the financial statements, June 30, 2019, that would have materially significant effect on the carrying amounts of assets or liabilities, including estimates, and no such items have been identified.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. General

The York Technical College Foundation, Inc. (the Foundation) was incorporated under the laws of South Carolina on May 17, 1983, for the purpose of seeking funds and resources to further the educational mission of York Technical College. The Foundation is exclusively a charitable and educational corporation within the meaning of section 501(c)(3) of the Internal Revenue Service Code. The Foundation is considered a component unit of York Technical College.

2. Summary of Significant Accounting Policies

Classes of Net Assets

The financial statements report amounts separately by class of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are those currently available for use by the Foundation.

Net Assets With Donor Restrictions - Net assets with donor restrictions are contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations. This also includes contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Foundation's actions.

Donor-Imposed Restrictions - All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

For the fiscal year 2018-2019, net assets with donor restrictions are for scholarships to York Technical College students, as well as, equipment, building improvements, buildings and teacher incentives. Net assets with donor restrictions also includes named endowments of which the earnings from the corpus are to be used for scholarships.

— CONTINUED —

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. **Summary of Significant Accounting Policies (Continued)**

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash or highly liquid investments with a maturity of three months or less when purchased.

The cash balance at June 30, 2019 was \$1,005,146 and the bank balance was \$992,733 of which \$735,355 was not insured by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses on its cash equivalents.

Investments – Investments are presented in the financial statements in the aggregate at fair market value. Investments consist of two separate trusts under agreements with a financial management company. The trustee, by agreement, can invest in stocks, bonds, negotiable securities and property (real and personal) as the trustee deems advisable. All investments are in the name of the Foundation.

	<u>Fair Value</u>
Money funds	\$ 599,996
Fixed income:	
US Government and Agency	865,970
Corporate	912,847
Equities and mutual funds	8,028,055
	<u>\$ 10,406,868</u>

The Foundation accounts for its investments at fair value. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the statement of activities. The total unrealized gains at June 30, 2019 are \$56,803.

Funds Held in Trust by Others - Trust agreements under which the Foundation has no control over the investment of assets are at the fair value of the investments held as reported by the custodians. Changes in the value of the assets are included in the statement of activities as increases and decreases to contributions received. Distributions to the Foundation during the life of the agreement are recognized as contributions received in the appropriate net asset classification in accordance with the donor's wishes.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Summary of Significant Accounting Policies (Continued)

Public Support, Revenue and Expenses – The Foundation recognizes contributions and investment income on the accrual basis. Interest income earned on the endowments are allocated to the endowments in the endowment fund. All other interest income is recorded in the net assets without donor restrictions category. Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowment - The Foundation's endowment includes donor restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 676,248
Accounts receivable	574
	<u>\$ 676,822</u>

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Property and Equipment

Property and equipment are carried at cost. The Foundation reports depreciation using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are generally as follows:

Land improvements	20 years
Buildings and improvements	28 years
Furniture	3 years

The Foundation capitalizes all property and equipment with a 1 year or longer life and with a cost or donated fair value of \$1,000 or more. Property and equipment details are as follows:

Cost	June 30, 2018	Additions	Deletions	June 30, 2019
Land	\$ 516,899	\$ -	\$ -	\$ 516,899
Land improvements	28,000	-	-	28,000
Building	394,810	-	-	394,810
Building improvements	74,668	-	-	74,668
	<u>1,014,377</u>	<u>-</u>	<u>-</u>	<u>1,014,377</u>
Accumulated Depreciation				
Land improvements	(28,000)	-	-	(28,000)
Building and improvements	(253,991)	(16,768)	-	(270,759)
	<u>(281,991)</u>	<u>(16,768)</u>	<u>-</u>	<u>(298,759)</u>
Net book value	<u>\$ 732,386</u>	<u>\$ (16,768)</u>	<u>\$ -</u>	<u>\$ 715,618</u>

Depreciation expense recorded for 2018/2019 was \$16,768.

5. Taxes

The Foundation meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Section 501(c)(3) of the Code. As of the date of this report, the tax years ending June 30, 2019, 2018, 2017 and 2016 remain open and subject to review by the Internal Revenue Service. Management of the Foundation does not expect any tax liability to result from these tax periods. The Foundation is not classified as a private foundation.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Contributions Receivable, Net

The contributions receivable in the temporarily restricted fund are related to pledges for capital projects and the Annual Fund. The amounts receivable in more than one year are discounted at 2% by management. Management does not expect any losses, thus no allowance for uncollectible amounts has been recorded. The contributions receivable details are as follows:

	Total
Receivable in less than one year	\$ 135,861
Receivable in one to five years	494,719
Receivable thereafter	325,041
Total pledges and contributions receivable	955,621
Less, discounts to net present value	(61,064)
Net pledges and contributions receivable at June 30, 2019	<u>\$ 894,557</u>

7. Investment Income

Investment income consists of the following:

Interest and dividends	\$ 204,259
Gains and losses	313,851
Investment fees	(53,559)
	<u>\$ 464,551</u>

8. Related Party Transactions

Due to the purpose of the Foundation, York Technical College (the “College”) is a related party. The Foundation seeks funds and resources to further the educational mission of the College. It provides to the College’s students, scholarships, while the College provides to the Foundation, the personnel to manage the Foundation’s activities. All transactions are conducted at arms-length.

Amounts paid and accrued to the College during 2019 were \$69,590 for scholarships, \$3,000 for rent, \$35,000 for salaries, and \$77,112 for supplies and other costs. As of June 30, 2019, the Foundation owed the College \$143,460, which is included in accounts payable.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Related Party Transactions (Continued)

Additionally, the Foundation paid a salary supplement directly to the College President in the amount of \$55,000 and a one-time bonus of \$5,000.

The College has three operating leases for instructional facilities from the Foundation that expire through December 2019. The monthly lease rates are \$4,690 for the Wilson Street property and \$1,667 for the Heavy Equipment Building. The Foundation collected \$76,279 for these leases during the year ended June 30, 2019. Estimated future lease revenue for the year ended June 30, 2020 is \$48,139.

9. Employee Compensated Absences

The Foundation has no employees as all persons providing services to the Foundation are either College employees or independent contractors. As such, any College employee's rights to receive compensation for future absences, such as vacation, are not recognized in these financial statements.

10. Contingencies and Commitments

Due to the nature of the Foundation's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may be the result of litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies if the related liability has not been recorded, yet a loss is reasonable possible. Guarantees of other's debts are loss contingencies, however, even if the probability of loss is remote. The Foundation maintains insurance against certain loss contingencies with liability policies and physical damage coverage. At the date of this report, management is not aware of any contingencies that will result in any material loss to the Foundation.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Fair Value

Information about the fair value of financial instruments for which it is practical to estimate that value, whether or not recognized in the Statement of Financial Position, is required to be disclosed. Fair value is determined using various methods and assumptions.

The following methods and assumptions were used to estimate the fair value for the classification within the financial statements:

- *Investments* – fair value is approximated by the balance reported by the custodian based on market values of the investment assets.
- *Contributions receivable* – fair value is approximated by discounting the expected future cash flows.
- *Funds held by others* - fair value is approximated by the balance reported by the custodian based on market values of the investment assets.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Fair Value (Continued)

The estimated fair values of the Foundation's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	Level	Carrying Value	Fair Value
Financial assets:			
Investments	1	\$ 10,406,868	\$ 10,406,868
Funds held by others	2	\$ 216,277	\$ 216,277
Contributions receivable	3	\$ 894,557	\$ 894,557

The Foundation recognized a decrease in the amount of \$38,348 in level 3 for the decrease in contributions receivable during the year.

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Foundation. The Foundation recognized \$56,803 in unrealized gains resulting from changes in fair value during the period.

12. Endowment Fund

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act (SCUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets held in perpetuity is classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Endowment Fund (Continued)

In accordance with SCUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund.
- 2) The purposes of the Foundation and the donor-restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation and deflation.
- 5) The expected total return from income and the appreciation of investments.
- 6) Other resources of the Foundation.
- 7) The investment policies of the Foundation.

Change in endowment net assets consists of the following as of June 30, 2019:

	Endowment Fund		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, June 30, 2018	\$ -	\$ 5,923,371	\$ 5,923,371
Investment return	-	251,342	251,342
Contributions	-	191,581	191,581
Program releases	63,970	(63,970)	-
Board approved payouts	(63,970)	-	(63,970)
Endowment net assets, June 30, 2019	\$ -	\$ 6,302,324	\$ 6,302,324
Endowment net assets, June 30, 2019	\$ -	\$ 6,302,324	\$ 6,302,324
Non endowment net assets	1,096,576	5,701,455	6,798,031
Total net assets	\$ 1,096,576	\$ 12,003,779	\$ 13,100,355

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce investment returns at least equal to inflation as measured by the Consumer Price Index plus a 4% pay out and 1% for associated fees while assuming a moderate level of investment risk.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Endowment Fund (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains and losses) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 months through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 8 to 10 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Net Assets With Donor Restrictions

At June 30, 2019 net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:

Scholarships	\$ 1,999,457
Other college support	4,077,171
	<u>6,076,628</u>

Endowments:

Scholarships	2,087,658
Other college support	65,469
	<u>2,153,127</u>

Held in perpetuity:

Scholarships	936,148
Other college support	2,837,876
	<u>3,774,024</u>

Total net assets with donor restrictions	<u><u>\$ 12,003,779</u></u>
--	-----------------------------

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors as follows for the year ended June 30, 2019:

Satisfaction of purpose restrictions:

Scholarships	\$ 175,026
Other college support	393,024
	<u><u>\$ 568,050</u></u>

14. Subsequent Events

Subsequent events were evaluated through September 16, 2019, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**OTHER
FINANCIAL REPORTS
AND INFORMATION**



This Page Intentionally Left Blank

YORK TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Schedule of Proportionate Share of the Net Pension Liability
South Carolina Retirement System

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
College's proportion of the net pension liability	0.164120%	0.162557%	0.159019%	0.166215%	0.165000%
College's proportionate share of the net pension liability	\$ 36,774,126	\$ 38,594,175	\$ 33,966,224	\$ 31,523,476	\$ 28,637,200
College's covered-employee payroll	\$ 14,748,224	\$ 14,601,195	\$ 13,821,783	\$ 14,156,744	\$ 13,880,542
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	249.35%	250.62%	245.74%	222.67%	206.31%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.80%	57.00%	59.82%

Schedule of Proportionate Share of the Net Pension Liability
Police Officer's Retirement System

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
College's proportion of the net pension liability	0.01228%	0.01267%	0.01320%	0.01290%	0.01000%
College's proportionate share of the net pension liability	\$ 347,863	\$ 347,048	\$ 334,688	\$ 281,220	\$ 199,158
College's covered-employee payroll	\$ 164,193	\$ 113,825	\$ 156,844	\$ 159,846	\$ 155,120
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.88%	304.90%	213.39%	175.93%	128.39%
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.40%	64.60%	67.55%

YORK TECHNICAL COLLEGE

June 30, 2019

Schedule of College Contributions South Carolina Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Contractually required contribution	\$ 1,988,393	\$ 2,304,069	\$ 1,900,205	\$ 1,704,474	\$ 1,698,380
Contribution in relation to the					
contractually required contribution	\$ (1,988,393)	\$ (2,304,069)	\$ (1,900,205)	\$ (1,704,474)	\$ (1,698,380)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll	\$ 13,656,547	\$ 14,748,224	\$ 14,801,195	\$ 13,921,783	\$ 14,156,744
Contributions as a portion of covered employee payroll	14.56%	15.62%	13.01%	12.33%	12.00%

Schedule of College Contributions Police Officer's Retirement System

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2016
Contractually required contribution	\$ 35,418	\$ 26,665	\$ 16,209	\$ 21,551	\$ 21,435
Contribution in relation to the					
contractually required contribution	\$ (35,418)	\$ (26,665)	\$ (16,209)	\$ (21,551)	\$ (21,435)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll	\$ 205,436	\$ 164,193	\$ 113,825	\$ 156,844	\$ 159,846
Contributions as a portion of covered employee payroll	17.24%	16.24%	14.24%	13.74%	13.41%

YORK TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Schedule of Proportionate Share of the Net OPEB Liability
South Carolina Retirement System SCRHIFT

	FY 2019	FY 2018
College's proportion of the net OPEB liability	0.214134%	0.212875%
College's proportionate share of the net OPEB liability/asset	\$ 30,344,040	\$ 30,800,098
College's covered-employee payroll	\$ 18,466,276	\$ 17,951,402
College's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	164.00%	171.57%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%

Schedule of Proportionate Share of the Net OPEB Liability
South Carolina Retirement System SCRHIFT

	FY 2019	FY 2018
Contractually required contribution	\$ 1,064,868	\$ 1,015,645
Implicit Subsidy	\$3,360	\$28,513
Contributions in relation to the contractually required contribution	\$ (1,064,868)	\$ (1,015,645)
Contribution deficiency (excess)	\$ -	\$ -
College's covered-employee payroll	17,601,125	18,466,276
Contributions as a percentage of covered-employee payroll	6.05%	5.50%

YORK TECHNICAL COLLEGE

June 30, 2019

Schedule of Proportionate Share of the Net OPEB Liability South Carolina Retirement System SCLTDITF

	<u>FY 2019</u>	<u>FY 2018</u>
College's proportion of the net OPEB liability	0.143716%	0.146619%
College's proportionate share of the net OPEB liability/asset	\$ 4,399	\$ 2,658
College's covered-employee payroll	\$ 18,466,276	N/A
College's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	0.02%	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%

Schedule of College Contributions South Carolina Retirement System SCLTDITF

	<u>FY 2019</u>	<u>FY 2018</u>
Contractually required contribution	\$ 12,429	\$ 10,613
Contributions in relation to the contractually required contribution	\$ (12,429)	\$ (10,613)
Contribution deficiency (excess)	\$ -	\$ -
College's covered-employee payroll	17,601,125	18,466,276
Contributions as a percentage of covered-employee payroll	0.07%	0.06%

STATISTICAL



This Page Intentionally Left Blank

Narrative to the Statistical Section

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the College's financial performance has changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the College's revenue sources.

DEBT CAPACITY

This schedule presents information to help the reader assess the College's level of outstanding debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the College's financial information relates to the activities it performs.

OTHER INFORMATION

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.

**FINANCIAL
TRENDS**



This Page Intentionally Left Blank

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

in thousands

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Operating Revenues										
Student tuition and fees, net	\$7,093,203	\$7,394,641	\$7,716,690	\$8,991,009	\$10,204,952	\$11,407,963	\$11,351,473	\$10,952,367	\$11,741,135	\$12,491,958
Federal grants and contracts	6,190,663	4,800,053	2,266,978	1,696,045	1,783,899	1,890,733	1,763,511	1,138,330	1,236,460	1,439,197
State and local grants and contracts	4,633,849	4,801,647	5,168,120	4,639,282	5,560,486	4,876,920	5,643,279	7,339,869	6,951,742	7,453,230
Sales and services of educational departments	1,009,186	1,054,132	1,068,682	900,534	946,109	1,011,860	995,038	1,054,819	1,051,580	1,007,314
Auxiliary enterprises	684,008	598,160	442,157	366,600	430,994	813,717	935,705	1,198,218	744,380	390,667
Other operating revenues	466,686	593,653	496,317	715,304	528,527	135,722	48,124	313,016	313,386	236,469
Total operating revenues	\$20,077,595	\$19,242,286	\$17,158,944	\$17,308,774	\$19,454,967	\$20,136,915	\$20,737,130	\$21,996,619	\$22,038,683	\$23,018,835
Expenses										
Operating Expenses										
Salaries	\$21,177,523	\$20,294,453	\$20,125,267	\$18,846,144	\$19,152,741	\$19,651,768	\$19,649,525	\$20,521,878	\$20,437,768	\$19,663,933
Benefits	5,355,332	5,385,602	5,447,966	5,508,023	5,632,335	6,260,789	6,222,087	7,234,112	8,799,609	9,171,107
Scholarships	4,379,856	6,363,375	7,411,907	5,185,587	6,496,646	5,673,890	6,133,061	6,023,983	5,337,542	5,082,020
Utilities	989,088	1,087,878	939,880	993,012	1,098,294	1,173,160	1,025,209	1,230,086	1,010,512	1,078,980
Supplies and other services	7,638,257	7,497,711	5,529,434	6,466,025	7,803,040	8,035,419	6,678,658	6,597,546	6,384,442	6,438,128
Depreciation	1,542,001	1,572,355	1,543,556	1,420,562	1,254,817	1,244,948	1,291,178	1,795,300	1,870,972	1,958,275
Total operating expenses	\$41,082,057	\$42,201,374	\$40,998,010	\$38,419,353	\$41,437,873	\$42,039,974	\$40,999,718	\$43,402,905	\$43,840,845	\$43,392,443
Operating income (loss)	-21,004,462	-22,959,088	-23,839,066	-21,110,579	-21,982,906	-21,903,059	-20,262,588	-21,406,286	-21,802,162	-20,373,608
Non-Operating Revenues (Expenses)										
State appropriations										
Salary and fringes	6,302,361	5,542,505	5,357,821	5,609,783	5,817,784	5,971,235	6,383,557	6,788,289	7,216,140	7,801,168
Lottery technology funds	149,217	118,807	171,579	218,445	177,390	67,714	214,995	182,075	179,309	142,306
Other state appropriations	0	0	53,846	21,406	34,472	178,947	573,204	0	261,713	0
County appropriations	4,110,065	4,235,326	4,357,480	4,235,323	3,927,139	4,125,384	3,966,057	4,125,384	4,170,631	4,305,636
Interest income	52,380	136,155	190,867	207,396	65,902	101,983	121,645	97,499	116,573	149,038
Unrealized Gain/Loss on Invest	0	0	0	0	34,847	27,619	72,771	-119,690	-134,746	162,516
Federal grants and contracts	12,059,868	15,475,990	13,927,451	10,978,488	11,961,817	10,904,920	9,406,159	8,437,107	7,979,905	6,965,761
State and local grants and contracts	448,647	717,520	166,893	0	0	0	0	0	0	0
Other non-operating revenues	0	0	48,474	49,585	49,585	61,532	186,811	0	0	0
Net non-operating revenues	\$23,122,538	\$26,226,303	\$24,274,411	\$21,320,426	\$22,068,936	\$21,439,334	\$20,925,199	\$19,510,664	\$19,789,525	\$19,526,425
Income before other revenues	2,118,076	3,267,215	435,345	209,847	86,030	-463,725	662,611	-1,895,622	-2,012,637	-847,183
Gains and (Losses)	0	0	0	0	0	-\$2,032	\$1,217	\$0	\$0	\$0
Capital Appropriations										
State capital appropriations	0	0	0	182,546	288,927	592,928	274,665	780,585	593,756	129,438
Local capital appropriations	267,970	0	1,240,592	514,545	1,524,688	424,508	777,550	465,213	888,416	1,452,186
Increase (Decrease) in Net Position	\$2,386,046	\$3,267,215	\$1,675,937	\$906,938	\$1,899,645	\$551,679	\$1,716,043	-\$649,824	-\$530,465	\$734,441

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

in thousands

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 43,468,103	\$ 45,468,589	\$ 42,673,947	\$ 39,326,291	\$ 43,337,518	\$ 42,593,685	\$ 42,715,761	\$ 42,753,082	\$ 43,310,383	\$ 44,126,884
Total Expenses	41,082,057	42,201,374	40,998,010	38,419,353	41,437,873	42,042,006	40,999,718	43,402,905	43,840,845	43,392,443
Increase (Decrease) in Net Assets	\$2,386,046	\$3,267,215	\$1,675,937	\$906,938	\$1,899,645	\$551,679	\$1,716,043	-\$649,823	-\$530,462	\$734,441

expressed as a percent of total revenues/expenses

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Revenues										
Operating Revenues										
Student tuition and fees, net	16.3	16.3	18.1	22.9	23.5	26.8	26.6	25.6	27.5	29.2
Federal grants and contracts	14.2	10.6	5.3	4.3	4.1	4.4	4.1	2.7	2.9	3.4
State and local grants and contracts	10.7	10.6	12.1	11.8	12.8	11.4	13.2	17.2	16.3	17.4
Sales and services of educational departments	2.3	2.3	2.5	2.3	2.2	2.4	2.3	2.5	2.5	2.4
Auxiliary enterprises	1.6	1.3	1.0	0.9	1.0	1.9	2.2	2.8	1.7	0.9
Other operating revenues	1.1	1.3	1.2	1.8	1.2	0.3	0.1	0.7	0.7	0.6
Total operating revenues	46.2	42.3	40	44	45	47	49	51	52	54
Expenses										
Operating Expenses *										
Salaries	51.5	48.1	49.1	49.1	46.2	46.7	47.9	50.1	49.8	48.0
Benefits	13.0	12.8	13.3	14.3	13.6	14.9	15.2	17.6	21.5	22.4
Scholarships	10.7	15.1	18.1	13.5	15.7	13.5	15.0	14.7	13.0	12.4
Utilities	2.4	2.6	2.3	2.6	2.7	2.8	2.5	3.0	2.5	2.6
Supplies and other services	18.6	17.8	13.5	16.8	18.8	19.1	16.3	16.1	15.6	15.7
Depreciation	3.8	3.7	3.8	3.7	3.0	3.0	3.1	4.4	4.6	4.8
Total operating expenses	100.0	100	100	100	100	100	100	106	107	106
Operating income (loss)	(48.3)	(50.5)	(55.9)	(53.7)	(50.7)	(51.4)	(47.4)	(50.1)	(51.0)	(47.7)
Non-Operating Revenues (Expenses)										
State appropriations										
Salary and fringes	14.5	12.2	12.6	14.3	13.4	14.0	14.9	15.9	16.9	18.3
Lottery technology funds	0.3	0.3	0.4	0.6	0.4	0.2	0.5	0.4	0.4	0.3
Other state appropriations	0.0	0.0	0.1	0.1	0.1	0.4	1.3	0.0	0.6	0.0
County appropriations	9.5	9.3	10.2	10.8	9.1	9.7	9.3	9.7	9.8	10.1
Interest income	0.1	0.3	0.4	0.5	0.2	0.2	0.3	0.2	0.3	0.3
Unrealized Gain/Loss on Invest	0.0	0.0	0.0	0.0	0.0	0.1	0.2	(0.3)	(0.3)	0.4
Federal grants and contracts	27.7	34.0	32.6	27.9	27.6	25.6	22.0	19.8	18.7	16.3
State and local grants and contracts	1.0	1.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-operating revenues	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.0	0.0	0.0
Net non-operating revenues	53.2	57.7	56.9	54.2	50.9	50.3	49.0	45.7	46.3	45.7
Income before other revenues	4.9	7.2	1.0	0.5	0.2	(1.1)	1.6	(4.4)	(4.7)	(2.0)
Gains and (Losses) *	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Appropriations										
Federal capital appropriation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State capital appropriations	0.0	0.0	0.0	0.5	0.7	1.4	0.6	1.8	1.4	0.3
Local capital appropriations	0.6	0.0	2.9	1.3	3.5	1.0	1.8	1.1	2.1	3.4
Increase (Decrease) in Net Position	5.5	7.2	3.9	2.3	4.4	1.3	4.0	(1.5)	(1.2)	1.7

* expressed as a percent of total expense

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

percentage increase (decrease) from prior year										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Revenues										
Operating Revenues										
Student tuition and fees, net	(8.2)	4.2	4.4	16.5	13.5	11.8	(0.5)	(3.5)	7.2	6.4
Federal grants and contracts	(50.9)	(22.5)	(52.8)	(25.2)	5.2	6.0	(6.7)	(35.5)	8.6	16.4
State and local grants and contracts	(1.7)	3.6	7.6	(10.2)	19.9	(12.3)	15.7	30.1	(5.3)	7.2
Sales and services of educational departments	(2.9)	4.5	1.4	(15.7)	5.1	6.9	(1.7)	6.0	(0.3)	(4.2)
Auxiliary enterprises	51.0	(12.6)	(26.1)	(17.1)	17.6	88.8	15.0	28.1	(37.9)	(47.5)
Other operating revenues	(48.0)	27.2	(16.4)	44.1	(26.1)	74.3	(64.5)	550.4	0.1	(24.5)
Total operating revenues	(26.9)	(4.2)	(10.8)	0.9	12.4	3.5	3.0	6.1	0.2	4.4
Expenses										
Operating Expenses										
Salaries	6.0	(4.2)	(0.8)	(6.4)	1.6	2.6	(0.01)	4.44	(0.41)	(3.79)
Benefits	3.8	0.6	1.2	1.1	2.3	11.2	(0.62)	16.27	21.64	4.22
Scholarships	26.3	45.3	16.5	(30.0)	25.3	(12.7)	8.09	(1.78)	(11.40)	(4.79)
Utilities	4.9	10.0	(13.6)	5.7	10.6	6.8	(12.61)	19.98	(17.85)	6.78
Supplies and other services	11.8	(1.8)	(26.3)	16.9	20.7	3.0	(16.88)	(1.21)	(3.23)	0.84
Depreciation	(4.5)	2.0	(1.8)	(8.0)	(11.7)	(0.8)	3.71	39.04	4.22	4.67
Total operating expenses	8.1	2.7	(2.9)	(6.3)	7.9	1.5	(2.47)	5.86	1.01	(1.02)
Operating income (loss)	99.0	9.3	3.8	(11.4)	4.1	(0.4)	(7.49)	5.64	1.85	(6.55)
Non-Operating Revenues (Expenses)										
State appropriations										
Salary and fringes	(5.7)	(12.1)	(3.3)	4.7	3.7	2.6	6.91	6.34	6.30	8.11
Lottery technology funds	(37.7)	(20.4)	44.4	27.3	(18.8)	(61.8)	217.50	(15.31)	(1.52)	(20.64)
Other state appropriations	n/a	n/a	n/a	(60.2)	61.0	419.1	220.32	(100.00)	-	-
County appropriations	3.4	3.0	2.9	(2.8)	(7.3)	5.0	(3.86)	4.02	1.10	3.24
Interest income	(40.2)	159.9	40.2	8.7	(68.2)	54.7	19.28	(19.85)	19.56	27.85
Unrealized Gain on Invest.	0.0	0.0	0.0	0.0	0.0	(20.7)	163.48	(264.47)	12.58	(220.61)
Federal grants and contracts	1527.9	28.3	(10.0)	(21.2)	9.0	(8.8)	(13.74)	(10.30)	(5.42)	(12.71)
State and local grants and contracts	130.2	59.9	(76.7)	(100.0)	0.0	0.0	-	-	-	-
Other non-operating revenues	n/a	n/a	n/a	2.3	0.0	24.1	203.60	2.04	-	-
Net non-operating revenues	94.0	13.4	(7.4)	(12.2)	3.5	(2.9)	(2.40)	(6.76)	1.43	(1.33)
Income before other revenues	55.2	54.3	(86.7)	(51.8)	(59.0)	(639.0)	(242.89)	(386.08)	6.17	(57.91)
Gains and (Losses)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Appropriations										
Federal capital appropriation	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-
State capital appropriations	0.0	0.0	0.0	0.0	58.3	105.2	(53.68)	184.20	(23.93)	(78.20)
Local capital appropriations	(83.6)	(100.0)	0.0	(58.5)	196.3	(72.2)	83.16	(40.17)	90.97	63.46
Increase (Decrease) in Net Position	(20.3)	36.9	(48.7)	(45.9)	109.5	(71.0)	211.06	(137.87)	(18.37)	(238.45)

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

in thousands

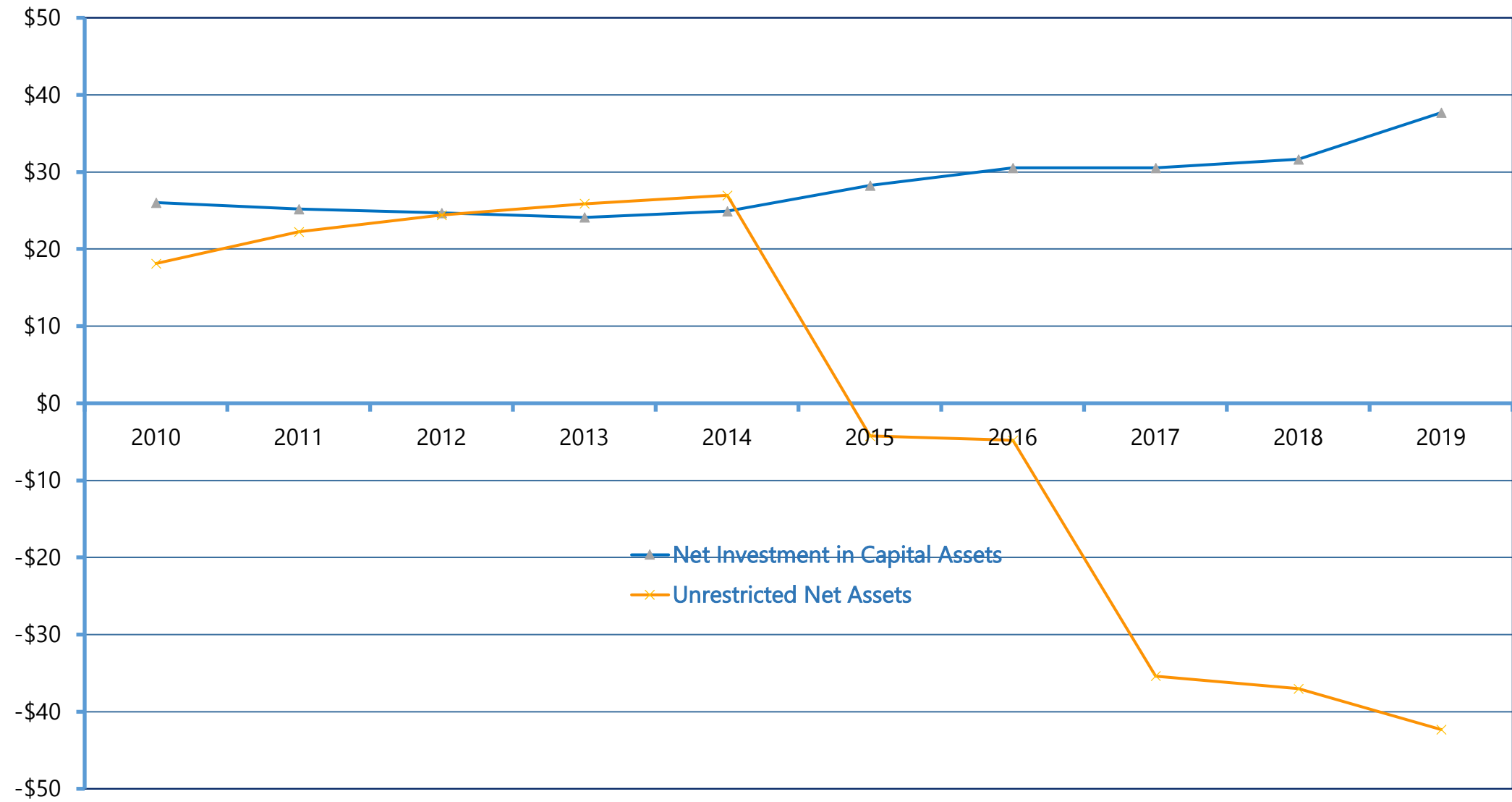
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Investment in Capital Assets	\$26,020,307	\$25,176,298	\$24,682,412	\$24,104,833	\$24,922,648	\$28,249,414	\$30,542,683	\$30,549,524	\$31,662,609	\$37,690,955
Unrestricted Net Assets	18,127,429	22,238,653	24,408,476	25,892,993	26,974,823	-4,232,652	-4,809,878	-35,380,905	-37,024,452	-42,318,357
Total Net Assets	\$41,761,690	\$47,414,951	\$49,090,888	\$49,997,826	\$51,897,471	\$24,016,762	\$25,732,805	-\$4,831,381	-\$5,361,843	-\$4,627,402

expressed as a percent of the total

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	62.3	53.1	50.3	48.2	48.0	117.6	118.7	-632.3	-590.5	-814.5
Unrestricted Net Assets	43.4	46.9	49.7	51.8	52.0	-17.6	-18.7	732.3	690.5	914.5
Total Net Assets	105.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

percentage increase (decrease) from prior year

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	-3.3	-3.2	-2.0	-2.3	3.4	13.3	8.1	0.0	3.6	19.0
* Unrestricted Net Assets	22.0	22.7	9.8	6.1	4.2	-115.7	13.6	635.6	4.6	14.3
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019



Comparison of Net Assets by Component
(in millions)

* For the fiscal year ended June 30, 2015 the College implemented GASB 68.
** For the fiscal year ended June 30, 2018, the College implemented GASB 74/75.

OPERATING EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS

in thousands										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Expenses by Function										
Instruction	\$ 17,736,535	\$ 18,297,893	\$ 16,358,451	\$ 15,821,521	\$ 16,186,455	\$ 16,418,628	\$ 17,119,411	\$ 16,747,667	\$ 16,823,037	\$ 16,359,192
Academic Support	3,120,678	2,968,674	3,572,024	3,545,077	4,091,648	3,698,873	2,340,851	4,644,312	4,966,828	4,631,371
Student Support	5,461,586	4,445,632	3,427,888	3,336,600	3,258,837	4,584,303	4,393,607	3,309,662	3,462,979	3,458,604
Maint/Operations	3,648,432	4,396,635	4,035,709	3,717,495	4,183,345	4,831,774	3,392,531	4,426,975	4,143,933	4,314,759
Institutional Support	4,930,786	3,939,458	4,659,747	5,389,722	5,965,567	5,157,045	5,844,090	5,828,921	6,760,694	7,542,797
Scholarships	4,379,856	6,363,375	7,411,907	5,185,587	6,496,646	5,673,890	6,133,061	6,023,983	5,337,542	5,082,020
Auxiliary Enterprises	262,183	217,352	(11,272)	2,789	558	430,513	484,989	626,083	474,860	45,425
Depreciation	1,542,001	1,572,355	1,543,556	1,420,562	1,254,817	1,244,948	1,291,178	1,795,300	1,870,972	1,958,275
Total Operating Expenses by Function	\$ 41,082,057	\$ 42,201,374	\$ 40,998,010	\$ 38,419,353	\$ 41,437,873	\$ 42,039,974	\$ 40,999,718	\$ 43,402,903	\$ 43,840,845	\$ 43,392,443

expressed as a percent of the total										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Instruction	43.2	43.4	39.9	41.2	39.1	39.1	41.8	38.6	38.4	37.7
Academic Support	7.6	7.0	8.7	9.2	9.9	8.8	5.7	10.7	11.3	10.7
Student Support	13.3	10.5	8.4	8.7	7.9	10.9	10.7	7.6	7.9	8.0
Maint/Operations	8.9	10.4	9.8	9.7	10.1	11.5	8.3	10.2	9.5	9.9
Institutional Support	12.0	9.3	11.4	14.0	14.4	12.3	14.3	13.4	15.4	17.4
Scholarships	10.7	15.1	18.1	13.5	15.7	13.5	15.0	13.9	12.2	11.7
Auxiliary Enterprises	0.6	0.5	(0.0)	0.0	0.0	1.0	1.2	1.4	1.1	0.1
Depreciation	3.8	3.7	3.8	3.7	3.0	3.0	3.1	4.1	4.3	4.5
Total Operating Expenses by Function	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Increase (decrease) from prior year										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Instruction	11.7	3.2	(10.6)	(3.3)	2.3	1.43	4.3	-2.2	0.5	-2.8
Academic Support	1.1	(4.9)	20.3	(0.8)	15.4	-9.60	-36.7	98.4	6.9	-6.8
Student Support	(10.3)	(18.6)	(22.9)	(2.7)	(2.3)	40.67	-4.2	-24.7	4.6	-0.1
Maint/Operations	2.2	20.5	(8.2)	(7.9)	12.5	15.50	-29.8	30.5	-6.4	4.1
Institutional Support	23.0	(20.1)	18.3	15.7	10.7	-13.55	13.3	-0.3	16.0	11.6
Scholarships	26.3	45.3	16.5	(30.0)	25.3	-12.66	8.1	-1.8	-11.4	-4.8
Auxiliary Enterprises *	(9.0)	(17.1)	(105.2)	(124.7)	(80.0)	77052.9	12.7	29.1	-24.2	-90.4
Depreciation	(4.5)	2.0	(1.8)	(8.0)	(11.7)	-0.79	3.7	39.0	4.2	4.7
Total Operating Expenses by Function	8.1	2.7	-2.9	-6.3	7.9	1.5	-2.5	5.9	1.0	-1.0

Auxiliary Enterprises expenses include the Hood Center 2015-2018.

OPERATING EXPENSES BY ACTIVITY
LAST TEN FISCAL YEARS

in thousands										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Expenses by Activity										
Salaries	\$21,177,523	\$20,294,453	\$20,125,267	\$18,846,144	\$19,152,741	\$19,651,768	\$19,649,525	\$20,521,878	\$20,437,768	\$19,663,933
Benefits	5,355,332	5,385,602	5,447,966	5,508,023	5,632,335	6,260,789	6,222,087	7,234,110	8,799,609	9,171,107
Scholarships	4,379,856	6,363,375	7,411,907	5,185,587	6,496,646	5,673,890	6,133,061	6,023,983	5,337,542	5,082,020
Utilities	989,088	1,087,878	939,880	993,012	1,098,294	1,173,160	1,025,209	1,230,086	1,010,512	1,078,980
Supplies and Other Services	7,638,257	7,497,711	5,529,434	6,466,025	7,803,040	8,035,419	6,678,658	6,597,546	6,384,442	6,438,128
Depreciation	1,542,001	1,572,355	1,543,556	1,420,562	1,254,817	1,244,948	1,291,178	1,795,300	1,870,972	1,958,275

Total Operating Expenses by Activity	\$41,082,057	\$42,201,374	\$40,998,010	\$38,419,353	41,437,873	\$42,039,974	\$40,999,718	\$43,402,903	\$43,840,845	\$43,392,443
--------------------------------------	--------------	--------------	--------------	--------------	------------	--------------	--------------	--------------	--------------	--------------

expressed as a percent of the total										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Salaries	51.5	48.1	49.1	49.1	46.2	46.7	47.9	47.3	46.6	45.3
Benefits	13.0	12.8	13.3	14.3	13.6	14.9	15.2	16.7	20.1	21.1
Scholarships	10.7	15.1	18.1	13.5	15.7	13.5	15.0	13.9	12.2	11.7
Utilities	2.4	2.6	2.3	2.6	2.7	2.8	2.5	2.8	2.3	2.5
Supplies and Other Services	18.6	17.8	13.5	16.8	18.8	19.1	16.3	15.2	14.6	14.8
Depreciation	3.8	3.7	3.8	3.7	3.0	3.0	3.1	4.1	4.3	4.5

Total Operating Expenses by Activity	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
--------------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

percent increase (decrease) from prior year										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%	%	%	%	%
Salaries	6.0	(4.2)	(0.8)	(6.4)	1.6	2.6	(0.0)	4.4	(0.4)	(3.8)
Benefits	3.8	0.6	1.2	1.1	2.3	11.2	(0.6)	16.3	21.6	4.2
Scholarships	26.3	45.3	16.5	(30.0)	25.3	(12.7)	8.1	(1.8)	(11.4)	(4.8)
Utilities	4.9	10.0	(13.6)	5.7	10.6	6.8	(12.6)	20.0	(17.9)	6.8
Supplies and Other Services	11.8	(1.8)	(26.3)	16.9	20.7	3.0	(16.9)	(1.2)	(3.2)	0.8
Depreciation	(4.5)	2.0	(1.8)	(8.0)	(11.7)	(0.8)	3.7	39.0	4.2	4.7

Total Operating Expenses by Activity	8.1	2.7	-2.9	-6.3	7.9	1.5	-2.5	5.9	1.0	-1.0
--------------------------------------	-----	-----	------	------	-----	-----	------	-----	-----	------

CURRENT UNRESTRICTED EXPENSES
PER ANNUALIZED CREDIT STUDENT
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Current Unrestricted Expenses										
Education and General										
Instruction	\$13,371,126	\$13,955,710	\$14,088,688	\$13,556,588	\$14,296,012	\$15,113,290	\$17,427,731	\$17,569,859	\$15,598,329	\$15,134,484
Academic Support	3,123,015	2,699,968	3,309,485	3,250,011	3,477,777	3,741,842	2,414,922	2,449,068	4,966,828	4,631,371
Student Support	2,179,948	2,131,985	2,295,470	2,376,521	2,431,269	3,137,256	4,458,864	4,488,946	3,462,979	3,458,604
Operation and Maintenance & Plant	3,301,637	3,688,762	3,450,187	3,546,776	3,534,643	3,749,889	1,532,772	1,551,238	1,823,331	1,898,494
Administrative and General	4,419,385	4,149,377	4,655,865	5,393,723	6,342,772	5,510,986	5,921,382	5,957,012	6,760,694	7,542,797
Total Education and General	\$ 26,395,111	\$ 26,625,802	\$ 27,799,695	\$ 28,123,619	\$ 30,082,473	\$ 31,253,262	\$ 31,755,671	\$ 32,016,123	\$ 32,612,160	\$ 32,665,750
Annualized Credit Enrollment	4,697	4,476	4,004	3,572	3,839	3,718	3,457	3,418	3,378	3,172
Total FTE	4,697	4,476	4,004	3,572	3,839	3,718	3,457	3,418	3,378	3,172
Expense per student FTE	\$5,620	\$5,949	\$6,943	\$7,873	\$7,836	\$8,406	\$9,186	\$9,367	\$9,654	\$10,298

Annualized Enrollment is the unduplicated number of students enrolling in credit courses during an academic year for fall, spring and summer semesters.
EXCLUDES Auxiliary Funds, Corporate and Continuing Education and Restricted Funds

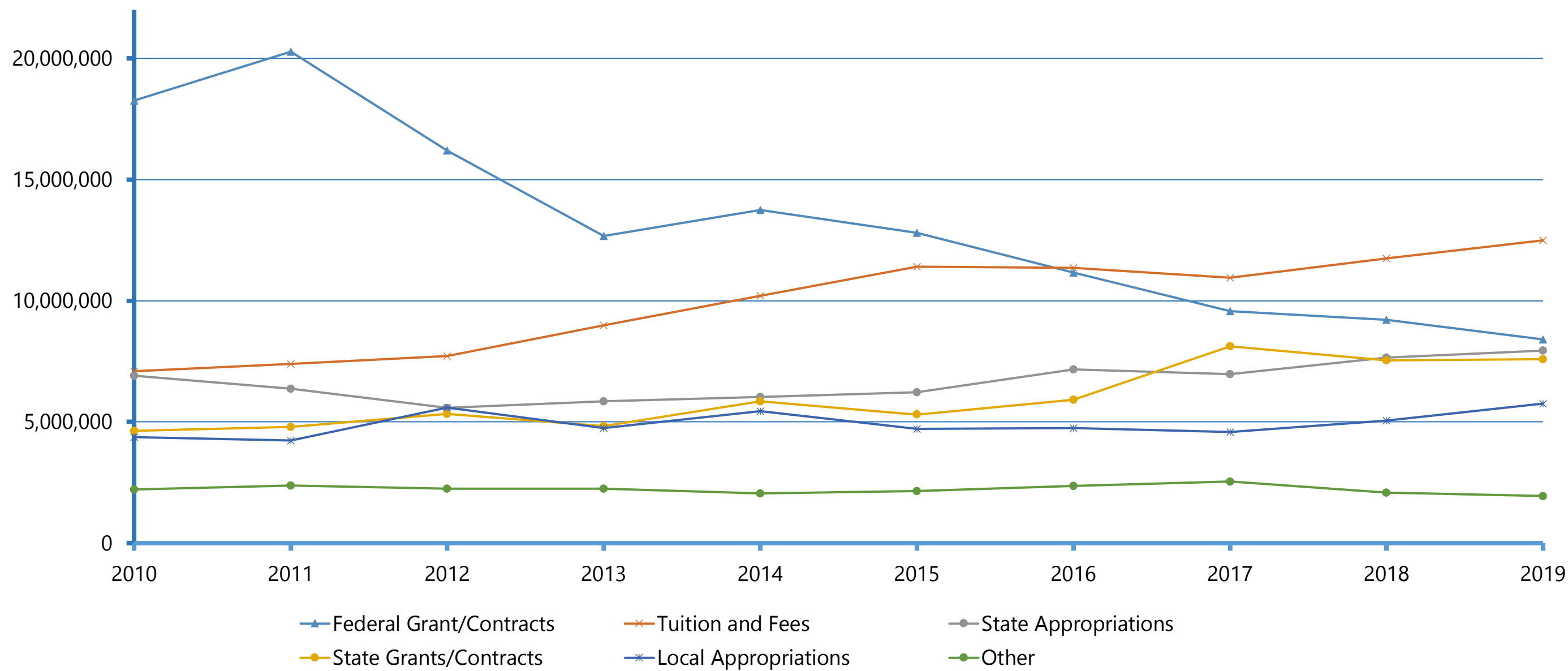
source: SBTCE tWeb
Dashboard summarites
Annualized enrollment fast facts

REVENUE CAPACITY



This Page Intentionally Left Blank

REVENUE BY FUNDING SOURCE
LAST TEN FISCAL YEARS



in thousands										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal Grant/Contracts	\$18,250,531	\$20,276,043	\$16,194,429	\$12,674,533	\$13,745,716	\$12,795,653	\$11,169,670	\$9,575,437	\$9,216,365	\$8,404,958
Tuition and Fees	7,093,203	7,394,641	7,716,690	8,991,009	10,204,952	11,407,963	11,351,473	10,952,367	11,741,135	12,491,958
State Appropriations	6,900,225	6,378,832	5,583,246	5,849,634	6,029,646	6,217,896	7,171,756	6,970,364	7,657,162	7,943,474
State Grants/Contracts	4,633,849	4,801,647	5,335,013	4,821,828	5,849,413	5,307,798	5,917,944	8,120,454	7,545,498	7,582,668
Local Appropriations	4,378,035	4,235,326	5,598,072	4,749,868	5,451,827	4,711,942	4,743,607	4,590,597	5,059,050	5,757,822
Other	2,212,260	2,382,100	2,247,608	2,239,419	2,055,964	2,152,433	2,361,365	2,543,862	2,091,173	1,946,004
Total Revenue	\$ 43,468,103	\$ 45,468,589	\$ 42,675,058	\$ 39,326,291	\$ 43,337,518	\$ 42,593,685	\$ 42,715,815	\$ 42,753,081	\$ 43,310,383	\$ 44,126,884

expressed as a percent of total										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal Grant/Contracts	42.0	44.6	37.9	32.2	31.7	30.0	26.1	22.4	21.3	19.0
Tuition and Fees	16.3	16.3	18.1	22.9	23.5	26.8	26.6	25.6	27.1	28.3
State Appropriations	15.9	14.0	13.1	14.9	13.9	14.6	16.8	16.3	17.7	18.0
State Grants/Contracts	10.7	10.6	12.5	12.3	13.5	12.5	13.9	19.0	17.4	17.2
Local Appropriations	10.1	9.3	13.1	12.1	12.6	11.1	11.1	10.7	11.7	13.0
Other	5.1	5.2	5.3	5.7	4.7	5.1	5.5	6.0	4.8	4.4
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

percentage increase (decrease) from prior year										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal Grant/Contracts	36.6	11.1	(20.1)	(21.7)	8.5	(6.9)	(12.7)	(14.3)	(3.7)	(8.8)
Tuition and Fees	(8.2)	4.2	4.4	16.5	13.5	11.8	(0.5)	(3.5)	7.2	6.4
State Appropriations	(3.0)	(7.6)	(12.5)	4.8	3.1	3.1	15.3	(2.8)	9.9	3.7
State Grants/Contracts	(1.7)	3.6	11.1	(9.6)	21.3	(9.3)	11.5	37.2	(7.1)	0.5
Local Appropriations	(21.9)	(3.3)	32.2	(15.2)	14.8	(13.6)	0.7	(3.2)	10.2	13.8
Other	(10.7)	7.7	(5.6)	(0.4)	(8.2)	4.7	9.7	7.7	(17.8)	(6.9)
Total Revenue	6.0	4.6	(6.1)	(7.8)	10.2	(1.7)	0.3	0.1	1.3	1.9

TUITION AND REQUIRED FEES - FULL TIME UNDERGRADUATE
SOUTH CAROLINA PUBLIC TWO YEAR INSTITUTIONS
LAST 10 ACADEMIC YEARS

<i>Within Fiscal Year Ended June 30,</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
--	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

Technical Colleges In-County

Aiken	\$3,626	\$3,706	\$ 3,722	\$ 3,866	\$ 3,972	\$ 4,098	\$ 4,262	\$ 4,348	\$ 4,468	\$ 4,656
Central Carolina	3,308	3,380	3,476	3,584	3,720	3,840	3,960	4,320	4,440	4,608
Denmark	2,492	2,590	2,500	2,568	2,568	2,624	3,580	3,787	4,440	4,440
Florence-Darlington	3,302	3,422	3,658	3,766	3,838	3,934	4,078	4,174	4,270	4,462
Greenville	3,492	3,616	3,748	3,866	3,974	4,094	4,224	4,326	4,422	4,590
Horry-Georgetown	3,206	3,446	3,530	3,530	3,590	3,854	3,960	4,036	4,108	4,252
Midlands	3,608	3,800	3,706	3,788	3,838	3,888	3,988	4,064	4,318	4,530
Northeastern TC	3,270	3,342	3,438	3,534	3,630	3,726	3,846	4,090	4,110	4,158
Orangeburg-Calhoun	3,218	3,454	3,554	3,650	3,770	3,890	4,010	4,130	4,250	4,466
Piedmont	3,334	3,556	3,572	3,714	3,850	3,958	4,084	4,228	4,300	4,456
Spartanburg	3,434	3,576	3,740	3,820	3,940	4,064	4,192	4,300	4,444	4,662
TC of the Lowcountry	3,382	3,556	3,676	3,772	3,940	4,060	4,180	4,276	4,516	4,684
Tri County	3,168	3,570	3,570	3,648	3,744	3,852	3,967	4,050	4,172	4,327
Trident	3,450	3,530	3,600	3,712	3,823	3,942	4,070	4,156	4,280	4,439
Williamsburg	3,042	3,264	3,438	3,540	3,650	3,756	4,008	4,080	4,224	4,368
York	3,352	3,496	3,628	3,712	3,744	3,840	3,960	4,056	4,176	4,344

System Average	\$3,293	\$3,457	\$3,535	\$3,629	\$3,724	\$3,839	\$4,023	\$4,151	\$4,309	\$4,465
-----------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

Two-year Regional Campuses of USC

USC - Lancaster	\$5,528	\$5,888	\$6,092	\$6,284	\$6,482	\$ 6,686	\$ 7,008	\$ 7,232	\$ 7,478	\$ 7,558
USC - Salkehatchie	5,528	5,888	6,092	6,284	6,482	6,686	6,918	7,233	7,478	7,558
USC - Sumter	5,528	5,888	6,092	6,284	6,482	6,686	6,928	7,152	7,438	7,558
USC - Union	5,528	5,888	6,092	6,284	6,482	6,686	6,908	7,132	7,388	7,558

DEBT CAPACITY



This Page Intentionally Left Blank

LONG-TERM DEBT
LAST TEN FISCAL YEARS

in thousands										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Notes Payable	512,147	389,554	213,018	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long Term Debt	\$512,147	\$389,554	\$213,018	\$0	\$0	\$0	\$0	\$0	\$0	\$0

in whole dollars										
Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Credit Student FTE	4,697	4,476	4,004	3,572	3,839	3,718	3,457	3,418	3,378	3,172
Annual Non-Credit Student FTE*	542	650	366	300	331	314	337	367	486	**
Outstanding Debt per Student	\$98	\$76	\$49	\$0	\$0	\$0	\$0	\$0	\$0	\$0

* Corporate and Continuing Education contact hours are converted to full-time equivalent enrollment.
** Data unavailable.

**DEMOGRAPHIC &
ECONOMIC
INFORMATION**



This Page Intentionally Left Blank

ADMISSIONS AND ENROLLMENT

LAST TEN YEARS (FALL ENROLLMENT)

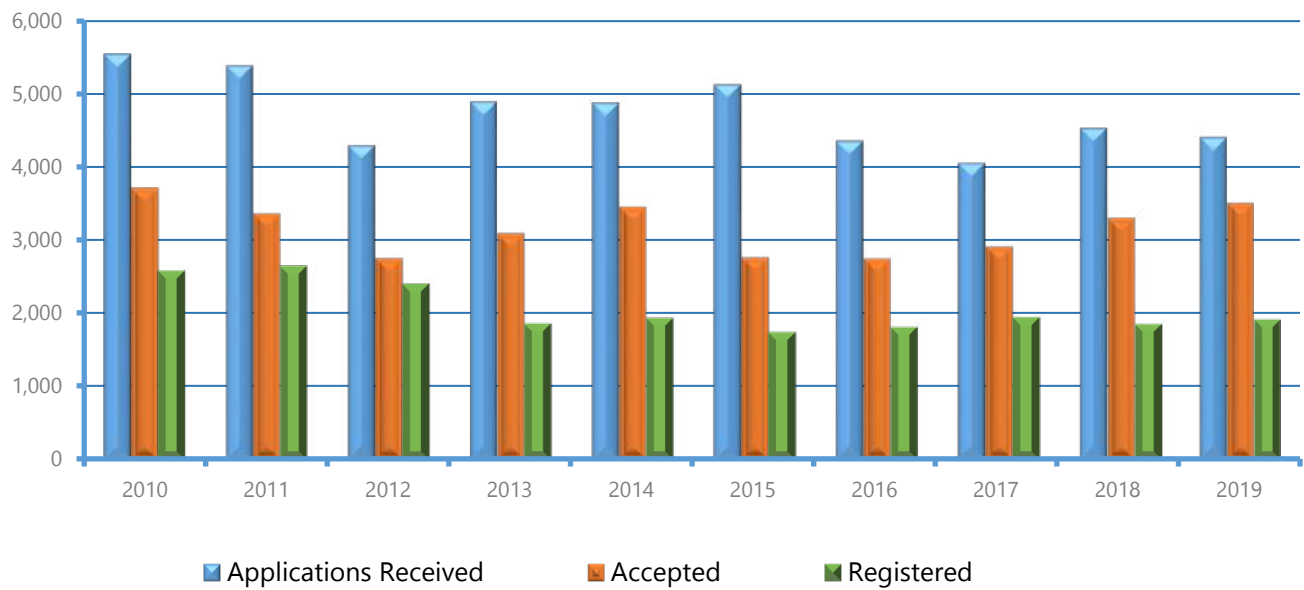
<i>Fiscal Year Ended June 30,</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
ADMISSIONS										
Applications	5,542	5,387	4,297	4,890	4,872	5,129	4,356	4,052	4,533	4,403
Applications Accepted	3,705	3,355	2,745	3,080	3,445	2,756	2,743	2,906	3,292	3,495
Registered	2,576	2,640	2,394	1,855	1,931	1,732	1,808	1,941	1,849	1,907
Accepted as a Percentage of Applications	66.9%	62.3%	63.9%	63.0%	70.7%	53.7%	63.0%	71.7%	72.6%	79.4%
Registered as a Percentage of Accepted	69.5%	78.7%	87.2%	60.2%	56.1%	62.8%	65.9%	66.8%	56.2%	54.6%
ENROLLMENT										
Full-time Headcount	2,970	2,950	2,649	2,295	2,478	2,482	2,239	2,251	2,067	2,278
Part-time Headcount	3,064	3,050	2,972	2,554	2,552	2,579	2,514	2,287	2,186	2,251
Full- time Equivalents	3,912	3,916	3,585	3,129	3,349	3,369	3,084	*	*	*
Men (Headcount)	2,295	2,334	2,156	1,929	2,055	2,038	1,960	1,904	1,915	1,801
Percentage of Total	38%	39%	38%	40%	41%	40%	41%	42%	45%	40%
Women (Headcount)	3,739	3,666	3,465	2,920	2,975	3,023	2,973	2,699	2,623	2,722
Percentage of Total	62%	61%	62%	60%	59%	60%	63%	59%	62%	60%
Black (Headcount)	1,501	1,559	1,326	1,205	1,204	1,233	1,104	1,071	1,041	1,059
Percentage of Total	25%	26%	24%	25%	24%	24%	23%	24%	24%	23%
White (Headcount)	3,893	3,813	3,586	2,874	2,912	2,921	2,833	2,699	2,662	2,628
Percentage of Total	65%	64%	64%	59%	58%	58%	60%	59%	63%	58%
Other (Headcount)	640	628	709	770	914	907	816	833	835	842
Percentage of Total	11%	10%	13%	16%	18%	18%	17%	18%	20%	19%
York County Residents	4,248	4,394	4,131	3,537	3,622	3,610	3,538	3,465	3,462	3,420
Percentage of Total	70.4%	73.2%	73.5%	72.9%	72.0%	71.3%	74.4%	76.4%	81.4%	75.5%
Chester County Residents	634	532	500	388	419	423	385	350	323	409
Percentage of Total	10.5%	8.9%	8.9%	8.0%	8.3%	8.4%	8.1%	7.7%	7.6%	9.0%
Lancaster County Residents	798	714	623	588	601	602	509	474	439	424
Percentage of Total	13.2%	11.9%	11.1%	12.1%	11.9%	11.9%	10.7%	10.4%	10.3%	9.4%
Other In-State Residents	158	165	167	146	179	193	207	200	172	195
Percentage of Total	2.6%	2.8%	3.0%	3.0%	3.6%	3.8%	4.4%	4.4%	4.0%	4.3%
Out-of-State Residents	196	195	200	190	209	233	114	115	142	81
Percentage of Total	3.2%	3.3%	3.6%	3.9%	4.2%	4.6%	2.4%	2.5%	3.3%	1.8%

* *Unavailable at publication*

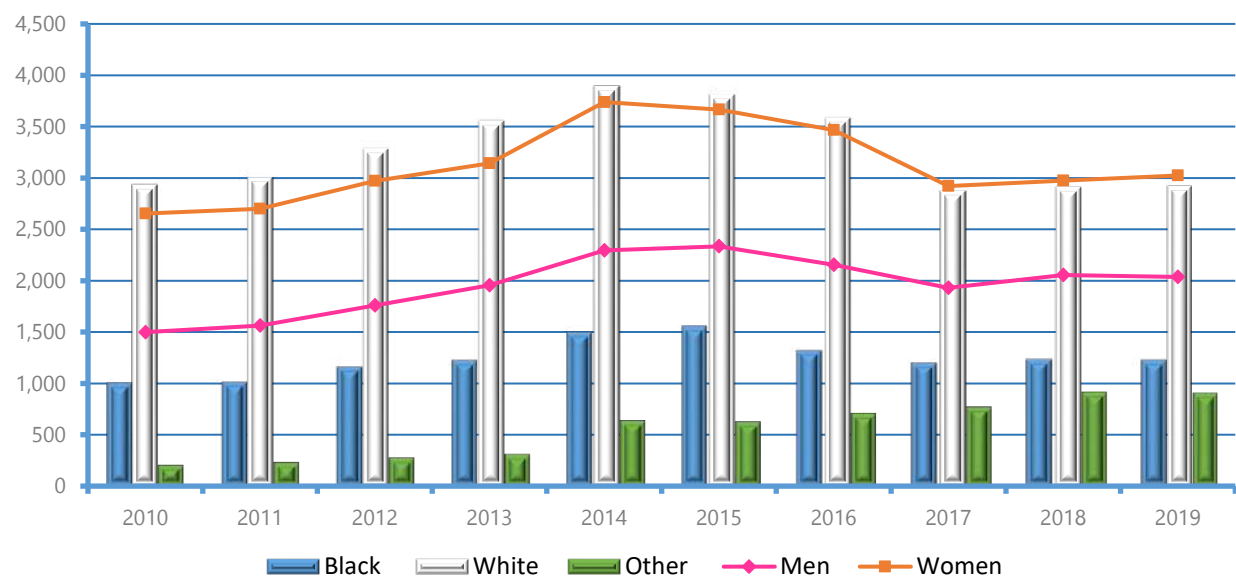
ADMISSIONS AND ENROLLMENT (CONTINUED)

LAST TEN YEARS (FALL ENROLLMENT)

APPLICATIONS AND ADMISSIONS



ENROLLMENT BY GENDER AND ETHNICITY

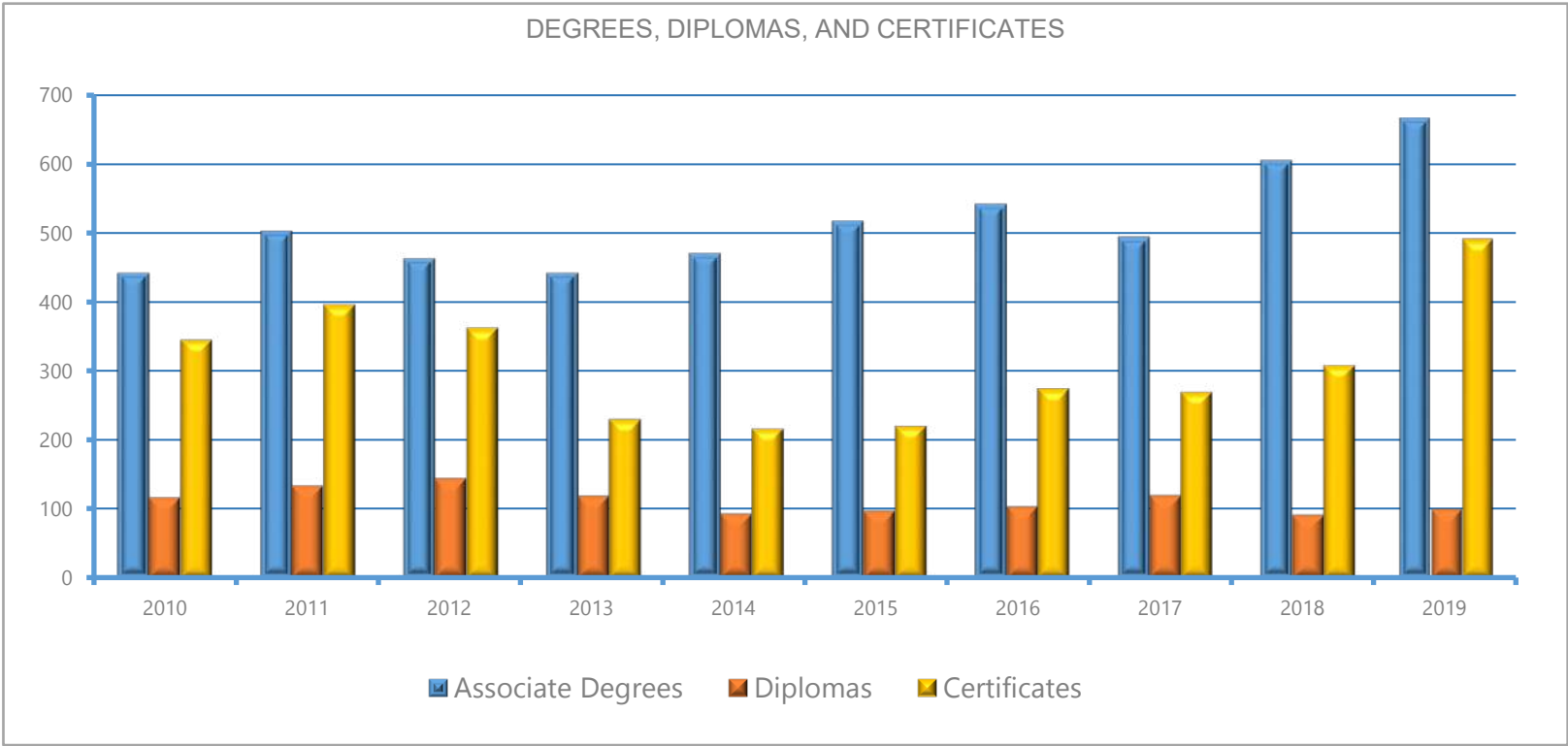


DEGREES AWARDED LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
--	------	------	------	------	------	------	------	------	------	------

DEGREES AWARDED

Associate Degrees	442	503	463	442	470	517	541	494	605	666
Diplomas	133	143	118	93	97	103	119	91	99	95
Certificates	345	396	362	230	216	220	274	269	308	491



FIRST TIME FRESHMEN - FALL ENROLLMENT
SOUTH CAROLINA PUBLIC TWO YEAR INSTITUTIONS
FULL-TIME AND PART-TIME ENROLLMENT
LAST TEN YEARS

FALL	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
SC Technical Colleges										
Aiken Technical College	717	705	664	660	518	532	590	593	574	572
Central Carolina Technical College	835	877	914	920	789	672	732	672	790	734
Denmark Technical College	435	402	660	701	449	352	368	225	119	213
Florence-Darlington Technical College	1,378	1,433	1,528	1,523	1,453	1,760	1,206	960	1,371	857
Greenville Technical College	2,686	2,443	2,371	2,489	2,387	2,194	2,291	2,032	2,310	2,099
Horry-Georgetown Technical College	1,398	1,192	1,210	1,075	1,105	1,048	1,036	1,033	1,264	1,231
Midlands Technical College	2,535	2,345	2,449	2,373	2,403	2,575	2,382	2,191	2,411	2,337
Northeastern Technical College	235	305	292	270	274	264	234	252	249	262
Orangeburg-Calhoun Technical College	606	570	527	529	61	535	450	360	375	345
Piedmont Technical College	1,177	1,014	1,242	1,276	1,170	1,007	925	905	911	922
Spartanburg Community College	1,296	1,277	1,205	1,179	1,251	1,169	961	882	834	899
Technical College of The Lowcountry	609	577	506	469	442	480	432	327	512	423
Tri-County Technical College	1,846	1,899	1,980	1,975	2,034	2,042	2,038	1,848	1,982	2,098
Trident Technical College	2,855	2,928	3,168	2,982	2,798	2,429	2,572	1,923	2,233	2,225
Williamsburg Technical College	233	210	203	239	282	264	257	211	103	89
York Technical College	1,383	1,217	1,202	1,054	1,269	1,101	1,084	1,007	1,093	965
Subtotal	20,224	19,394	20,121	19,714	19,234	18,424	17,558	15,421	17,131	16,271
Two Year Reg. Campuses of USC										
U. S. C. - Lancaster	368	388	427	383	374	336	359	274	320	325
U. S. C. - Salkehatchie	286	284	327	336	306	269	258	266	241	271
U. S. C. - Sumter	319	260	229	216	227	216	194	191	270	255
U. S. C. - Union	119	88	99	102	116	141	98	99	181	177
Subtotal	1,092	1,020	1,082	1,037	1,023	962	909	830	1,012	1,028
Total	21,316	20,414	21,203	20,751	20,257	19,386	18,467	16,251	18,143	17,299

Source: South Carolina Commission on Higher Education - Data Publications

Continuing Education Programs

Health and Human Services

Patient Care
Emergency Services

Community Interest

Driver Safety
Passport to Retirement
Law School for Non-lawyers

Business and Professional Training

Real Estate
Project Management
Workplace Skills
Leadership
Human Resources
Computer

Transportation and Logistics

Commercial Driver's License
Fork Truck
Certified Logistics Associates
Certified Logistics Technician

Construction Trades

Line Worker
Heavy Equipment
Contract Licensing
Safety
Welding

Advanced Manufacturing

Industrial Maintenance
CNC
Industrial Safety
Certified Production Technician

Academic Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Continuing Education Contact Hours	245,545	295,868	349,218	200,916	164,764	181,663	152,728	124,356	104,790	114,242
Continuing Education Program CEU's	24,555	29,587	34,922	20,092	16,476	18,166	15,273	12,436	10,479	11,424
Continuing Education FTE's	447	542	650	365	300	331	314	337	367	486

Source: South Carolina State Board for Technical Education

DEMOGRAPHIC DATA
LAST TEN YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Per Capita Personal Income										
Chester County	25,240	25,766	26,860	27,927	28,071	29,298	30,441	32,181	32,667	-
Lancaster County	27,328	29,350	31,583	32,674	33,880	34,936	38,043	40,941	47,505	-
York County	33,091	33,103	34,887	36,700	36,344	37,903	39,778	40,561	44,343	-
State of South Carolina	32,499	32,853	34,220	35,461	35,472	36,677	38,302	39,517	41,633	-

Total Personal Income										
Chester County	838,228	853,252	882,125	911,673	915,129	947,423	982,224	1,000,702	1,055,182	-
Lancaster County	2,060,365	2,258,348	2,455,864	2,587,524	2,727,985	2,905,293	3,265,690	3,668,045	4,396,577	-
York County	7,399,760	7,511,512	8,030,473	8,608,508	8,701,415	9,299,290	39,778	10,486,063	11,814,573	-
State of South Carolina	149,164,442	152,314,019	159,909,766	167,468,162	169,269,397	177,242,275	187,532,342	196,049,325	209,179,573	-

Population of Service Area										
Chester County	33,210	33,116	32,841	32,645	32,601	32,337	32,267	32,181	32,301	-
Lancaster County	75,394	76,945	77,758	79,193	80,520	83,160	85,842	89,594	92,550	-
York County	223,616	226,913	230,183	234,566	239,415	245,346	251,195	258,526	266,439	-
State of South Carolina	4,589,872	4,636,290	4,673,054	4,722,621	4,771,929	4,832,482	4,896,146	4,961,119	5,024,369	-

Unemployment Rates										
	%	%	%	%	%	%	%	%	%	%
Chester County	19.8	19.3	17.3	14.8	12.3	9.5	7.3	5.4	6.1	-
Lancaster County	17.4	14.7	13.3	11.3	9.3	7.2	5.6	4.3	4.7	-
York County	13.5	12.1	11.0	9.3	7.8	6.4	4.8	3.6	4.0	-
State of South Carolina	11.7	10.7	9.9	8.4	6.4	6.6	6.0	3.9	4.3	-
United States	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.1	4.4	-

Announced Job Creation										
Chester County	125	50	71	200	318	unavailable	unavailable	unavailable	unavailable	unavailable
Lancaster County	1,270	585	437	1,178	554	unavailable	unavailable	unavailable	unavailable	unavailable
York County	1,097	423	756	1,331	2,435	unavailable	unavailable	unavailable	unavailable	unavailable
State of South Carolina	18,004	20,453	20,013	14,137	15,457	unavailable	unavailable	unavailable	unavailable	unavailable

* data unavailable at publication date

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, "CA1 Personal Income Summary: Personal Income, Population, Per U.S. Department of Labor, Bureau of Labor Statistics, "Local Area Unemployment Statistics,"

PRINCIPAL EMPLOYERS BY COUNTY
FISCAL YEAR JUNE 30, 2019
Listed Alphabetically

YORK COUNTY

ADECCO USA Inc
AMISUB of South Carolina Inc
City of Rock Hill
Clover School District No 2
Comporium Inc
York County
DMSI Staffing LLC
Duke Energy Corporation
Fort Mill School District No 4
Lash Group LLC

LPL Financial Corporation
Rock Hill School District No 3
Ross Dress for Less inc
Schaeffler Group USA Inc
Upper Palmetto YMCA
US Foodservice Inc
Wal-Mart Associates Inc
Wells Fargo Bank NA
Winthrop University
York School District No 1

CHESTER COUNTY

Boise Cascade Company
Boral Stone Products LLC
Building Materials Manufacturing Co.
Carolina Poly Inc
Chester County
Chester County School District
Chester HMA Inc
Electri Glass Fiber America LLC
Footprint South Carolina LLC
GITI Tire Manufacturing USA LTD

Guardian Industries Corporation
Morning Star LLC
SC Dept of Transportation
Schneider National Carriers Inc
Sun Fiber LLC
TDY Industries LLC
TruVista
United Infrastructure Group Inc
United Natural Foods Inc
Wal-Mart Associates Inc

LANCASTER COUNTY

Cardinal Health
CMHA Primary Care Facilities Inc
Compucom Systems Inc
Continental Tire North America
Duracell Manufacturing
Founders Federal Credit Union
Haile Gold Mine Inc
Keer America Corporation
Lancaster County
Lancaster School District

Movement Mortgage LLC
Newbold Services Lancaster
Nutramax Manufacturing Inc
PCI Group Inc
Pro Staffers LLC
RBUS Inc
SC Department of Corrections
Spring Memorial Hospital
TriNet USA Inc
Wal-Mart Associates Inc.

Source: SC Department of Employment & Workforce

OPERATING INFORMATION



This Page Intentionally Left Blank

FACULTY AND STAFF
LAST TEN YEARS

Fall employment of fiscal year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Average full-time instructional salary	\$48,187	\$47,820	\$48,197	\$47,442	\$47,663	\$48,735	\$48,411	\$49,284	\$51,226	\$51,336	

Fall employment of fiscal year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
--------------------------------	------	------	------	------	------	------	------	------	------	------	-------

FACULTY

Full-time	121	122	126	124	128	118	117	119	121	123	
Part-time	163	147	185	201	230	217	217	209	204	202	
Total Faculty	284	269	311	325	358	335	334	328	325	325	0

Fall employment of fiscal year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
--------------------------------	------	------	------	------	------	------	------	------	------	------	-------

STAFF

Full-time	179	192	178	174	137	154	156	146	172	169	
Part-time	103	116	112	112	106	102	102	124	115	126	
Total Staff	282	308	290	286	243	256	258	270	287	295	0
Total Faculty and Staff	566	577	601	611	601	591	592	598	612	620	0

* unavailable at publication date

SPACE UTILIZATION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Assignable Square Feet	180,720	194,418	193,985	194,677	195,227	197,279	197,279	197,279	184,497	186,214
Percentage of Total	58.9%	60.5%	61.2%	61.2%	61.0%	61.2%	61.2%	61.2%	60.5%	58.5%
Public Service										
Assignable Square Feet	635	635	635	635	635	635	635	635	635	626
Percentage of Total	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Academic Support										
Assignable Square Feet	48,250	48,600	49,133	49,361	49,342	49,342	49,342	49,342	46,250	57,586
Percentage of Total	15.7%	15.1%	15.5%	15.5%	15.4%	15.3%	15.3%	15.3%	15.1%	18.1%
Student Services										
Assignable Square Feet	26,484	26,598	14,896	14,886	16,275	16,276	16,276	16,276	16,276	15,106
Percentage of Total	8.6%	8.3%	4.7%	4.7%	5.0%	5.0%	5.0%	5.0%	5.3%	4.7%
Institutional Support										
Assignable Square Feet	23,730	24,448	25,529	25,742	25,742	25,742	25,743	25,743	24,527	26,797
Percentage of Total	7.7%	7.6%	8.1%	8.1%	8.0%	8.0%	8.0%	8.0%	8.0%	8.4%
Plant Operations and Maintenance										
Assignable Square Feet	13,530	13,530	12,743	12,743	12,743	12,743	12,743	12,743	12,646	12,854
Percentage of Total	4.4%	4.2%	4.0%	4.0%	3.9%	3.9%	3.9%	3.9%	4.1%	4.0%
Auxiliary Enterprises										
Assignable Square Feet	13,235	13,235	19,857	19,857	19,857	19,857	19,857	19,857	19,857	18,671
Percentage of Total	4.3%	4.1%	6.3%	6.3%	6.2%	6.1%	6.1%	6.1%	6.5%	5.8%
Unassigned										
Assignable Square Feet	0	0	0	0	0	0	0	0	0	0
Percentage of Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Assignable Areas:										
Assignable Square Feet	306,584	321,464	316,778	317,901	319,882	321,874	321,874	321,874	304,688	317,854
Percentage of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%

NOTE: Common areas such as hallways, foyers, restrooms, closets, mechanical room are not included in totals.

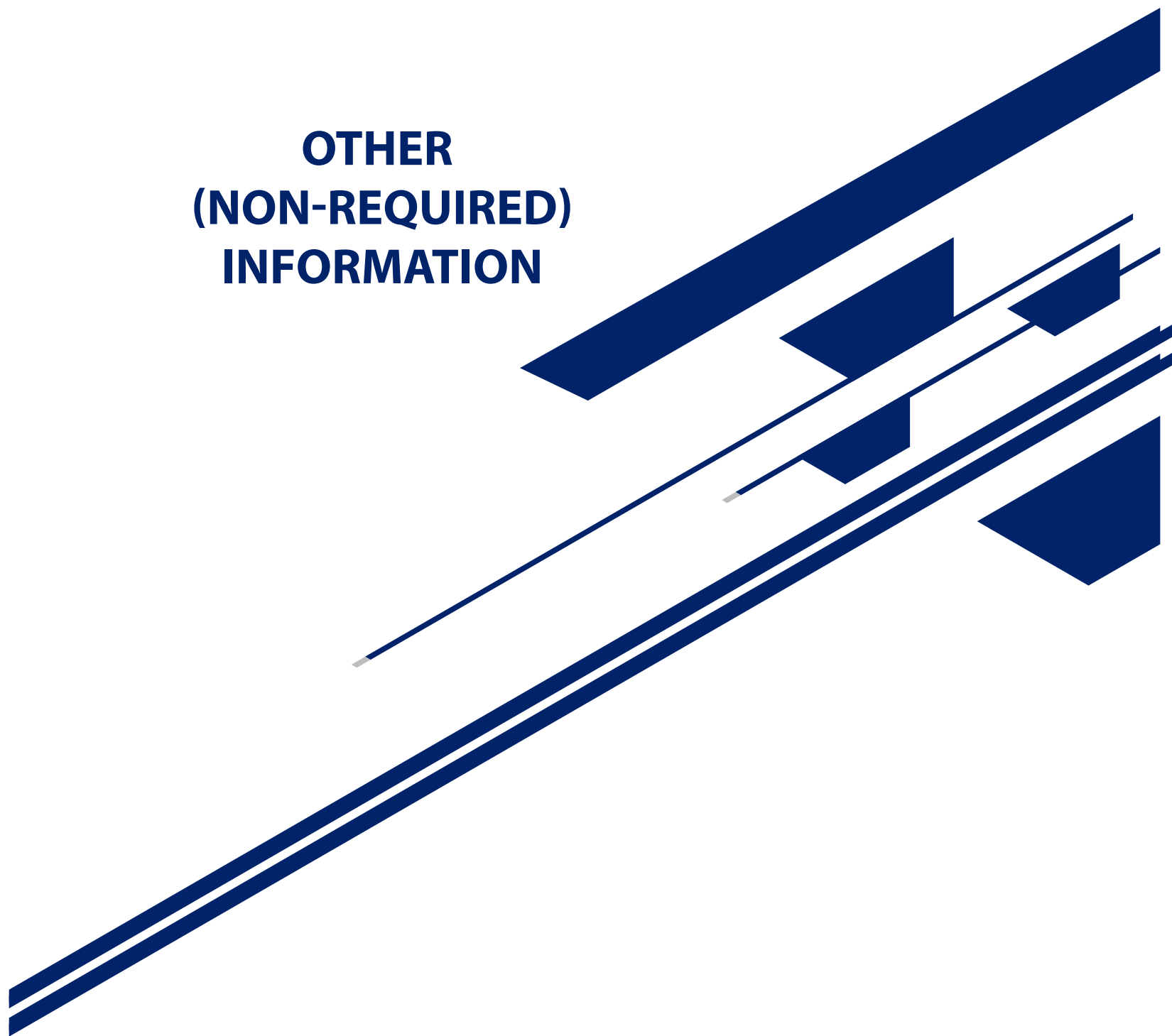
Baxter M. Hood Continuing Education
Center Reservations Room Usage

College	311	251	252	360	96	85	115	102	71	-
Cont. Ed.	428	432	409	350	93	20	12	5	3	-
Rental	1,311	1,259	1,030	1,155	248	171	146	198	241	-
Total	2,050	1,942	1,691	1,865	437	276	273	305	315	-

The Baxter M. Hood Center conducts Continuing Education training sessions in computer technology, management and leadership, professional licensing and certification, health sciences, and early childhood education. College events include departmental graduations, commission meetings, faculty and staff training, and student organized programs. Public use of the Center covers corporate training and educational sessions, association meetings, chamber events, trade shows, banquets, wedding receptions, and high school proms.

Sources: South Carolina Commission on Higher Education; Director - Baxter M. Hood Center

**OTHER
(NON-REQUIRED)
INFORMATION**



This Page Intentionally Left Blank

PROGRAM ACCREDITATIONS AND APPROVALS

FISCAL YEAR ENDED JUNE 30, 2019

York Technical College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award the Associate Degree, Diplomas and Certificates.

PROGRAM	ACCREDITING AGENCY
Dental Assisting Technology	American Dental Association, Commission on Dental Accreditation
Early Care and Education	National Association for the Education of Young Children
Dental Hygiene Technology	American Dental Association, Commission on Dental Accreditation
Associate Degree Nursing	Board of Nursing for South Carolina ACEN -Accreditation Commission for Education in Nursing, Inc.
Practical Nursing	Board of Nursing for South Carolina ACEN -Accreditation Commission for Education in Nursing, Inc.
Medical Laboratory Technology	National Accrediting Agency for Clinical Laboratory Sciences
Radiologic Technology	Joint Review Committee on Education in Radiologic Technology
Surgical Technology	Commission on Accreditation of Allied Health Education Programs
Automotive Technology	National Automotive Technicians Education Foundation
Computer Engineering Technology	Engineering Technology Accreditation Commission of ABET (Accreditation Board For Engineering and Technology)
Electronics Engineering Technology	Engineering Technology Accreditation Commission of ABET (Accreditation Board For Engineering and Technology)
Engineering Graphics Technology	Engineering Technology Accreditation Commission of ABET (Accreditation Board For Engineering and Technology)
Machine Tool Technology	National Institute for Metalworking Skills (NIMS)
Mechanical Engineering Technology	Engineering Technology Accreditation Commission of ABET (Accreditation Board For Engineering and Technology)
Accounting Degree	Accreditation Council for Business Schools and Programs
Administrative Office Technology Degree	Accreditation Council for Business Schools and Programs
Business Administration Degree	Accreditation Council for Business Schools and Programs
Computer Technology Degree	Accreditation Council for Business Schools and Programs
Management Degree	Accreditation Council for Business Schools and Programs

NON-DISCRIMINATION POLICY

FISCAL YEAR ENDED JUNE 30, 2019

POLICY ON NON-DISCRIMINATION

It is the policy of York Technical College not to discriminate on the basis of sex, race, religion, national origin, age, including pregnancy and childbirth (or related medical conditions), veteran status, or disability in its educational programs, activities, or employment policies. The Title IX and Section 504 Compliance Officer is Edwina Roseboro-Barnes, Assistant Vice President for Human Resources, York Technical College, 452 South Anderson Road, Rock Hill, South Carolina 29730. Telephone: (803) 981-7162

**SINGLE AUDIT
SECTION**



This Page Intentionally Left Blank

SINGLE AUDIT SECTION

TABLE OF CONTENTS

136	Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
138	Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance
141	Schedule Of Expenditures Of Federal Awards
142	Notes To Schedule Of Expenditures Of Federal Awards
143	Summary Schedule Of Prior Audit Findings
144	Schedule Of Findings And Questioned Costs

Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

York Technical College
Rock Hill, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit (York Technical College Foundation, Inc.) of York Technical College, a discretely presented component of the State of South Carolina, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprised York Technical College's basic financial statements, and have issued our report thereon dated September 25, 2019. Our report includes a reference to other auditors who audited the financial statements of York Technical College Foundation, Inc., as described in our report on York Technical College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The York Technical College Foundation, Inc.'s financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered York Technical College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of York Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of the York Technical College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether York Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cynthia A. [unclear]", followed by a horizontal line and the year "2019".

Gaffney, SC
September 25, 2019

Independent Auditors' Report On Compliance For
Each Major Program And On Internal Control Over
Compliance Required By The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited York Technical College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of York Technical College's major federal programs for the year ended June 30, 2019. York Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about York Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on York Technical College's compliance.

Opinion on Each Major Federal Program

In our opinion, York Technical College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of York Technical College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered York Technical College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of York Technical College's internal control over compliance.

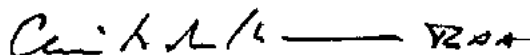
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit (York Technical College Foundation, Inc.) of York Technical College, a discretely presented component unit of the State of South Carolina, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. Our report includes a reference to other auditors who audited the financial statements of York Technical College Foundation, Inc., as described in our report on York Technical College's financial statements. We issued our report thereon dated September 25, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gaffney, SC
September 25, 2019

YORK TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
As of June 30, 2019

FEDERAL GRANTOR	CFDA Number	Expenditures
U.S. DEPARTMENT OF EDUCATION		
Student Financial Aid		
CWS	84.033	\$ 149,950
PELL 17-18	84.063	101,367
PELL 18-19	84.063	6,864,394
SEOG 17-18	84.007	2,155
SEOG 18-19	84.007	149,250
Direct Loan 17-18	84.268	122,616
Direct Loan 18-19	84.268	3,458,001
Total Financial Aid Cluster		<u>10,847,733</u>
TRIO		
Student Support Services 17-18	84.042A	66,775
Student Support Services 18-19	84.042A	230,208
SSS STEM		
17-18	84.042A	4,355
18-19	84.042A	256,760
Total TRIO Cluster		<u>558,098</u>
Pass-Through South Carolina Department of Education		
Perkins Challenge	84.048	<u>228,330</u>
Total U.S. Department of Education		<u>\$ 11,634,161</u>
U.S. DEPARTMENT OF LABOR		
Pass-Through SC Department of Employment and Workforce		
NAFTA	17.245	\$ 284,480
Pass-Through SC Technical College System		
SCAI Bradman Lake	17.268	1,855
SCAI Comporium	17.268	13,915
Total SCAI Program		<u>15,770</u>
Total U.S. Department of Labor		<u>\$ 300,250</u>
U.S. DEPARTMENT OF AGRICULTURE		
Pass-Through South Carolina Department of Social Services		
Supplemental Nutrition Assistance Program	10.561	\$ 5,374
Total U.S. Department of Agriculture		<u>5,374</u>
U.S. DEPARTMENT OF HUMAN SERVICES		
Pass-Through South Carolina Department of Social Services		
Child Care and Development Fund	93.575	8,074
Total U.S. Department of Health and Human Services		<u>8,074</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 11,947,859</u></u>

YORK TECHNICAL COLLEGE
Notes To Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2019

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of York Technical College. The reporting entity is defined in Note 1 of the College's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

The College has not elected to use the 10% de minimis cost rate.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAMS

The College has students who have approved loans which were received by those students during the current year. The totals and types of loans received for the current fiscal year are:

Department of Education	CFDA # 84.268	
	Subsidized	\$ 2,495,025
	Unsubsidized	<u>1,085,592</u>
		<u><u>\$ 3,580,617</u></u>

YORK TECHNICAL COLLEGE
Summary Schedule Of Prior Audit Findings
June 30, 2019

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings and questioned costs relating to federal awards.

YORK TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2019

Summary of Auditor's Results:

1. An unmodified opinion was issued on York Technical College's basic financial statements dated September 25, 2019.
2. There were no material weaknesses or significant deficiencies relating to the financial statements reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance material to the financial statements of York Technical College disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for York Technical College expresses an unmodified opinion.
5. There were no material weaknesses or significant deficiencies relating to the audit of major federal awards reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
6. There were no audit findings reported relative to the major federal award programs for York Technical College as depicted below in this schedule.
7. Major federal programs:

Student Financial Aid Cluster From U.S. Department of Education	
Federal Supplemental Education Opportunity Grants (FSEOG)	CFDA #84.007
Federal Work-Study Programs	CFDA #84.033
Federal PELL Grant Program	CFDA #84.063
Federal Direct Student Loans	CFDA #84.268
8. The threshold for distinguishing between Type A and Type B Programs was \$750,000.
9. York Technical College is a low risk auditee according to the criteria in Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings Relating to Financial Statements:

There were no findings relating to financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings and questioned costs relating to federal awards.

